

*These materials are important and require your immediate attention. They require securityholders of European Goldfields Limited to make important decisions. If you are in doubt as to how to make such decisions, please contact your financial, legal or other professional advisers. If you have questions, you may contact European Goldfields' proxy solicitation agent, **Phoenix Advisory Partners** Toll Free at 1-800-243-9416 or by email at inquiries@phoenixadvisorypartners.com.*



NOTICE OF SPECIAL MEETING OF SECURITYHOLDERS

to be held on February 21, 2012

MANAGEMENT INFORMATION CIRCULAR

with respect to an arrangement involving

EUROPEAN GOLDFIELDS LIMITED

and

ELDORADO GOLD CORPORATION

The board of directors of European Goldfields, on the unanimous recommendation of the special committee created to consider the arrangement, and upon receipt of certain fairness opinions from BMO Nesbitt Burns Inc. and Lazard & Co., Limited, has determined that the consideration to be received by securityholders pursuant to the arrangement is fair and that the arrangement is in the best interests of European Goldfields and recommends that the securityholders vote **FOR** the arrangement.

January 23, 2012

Unless otherwise stated, the information herein is given as of January 19, 2012.

**Any questions and requests for assistance may be directed to European Goldfields'
Proxy Solicitation Agent:**



North American Toll Free Phone:

1- 800-243-9416

United Kingdom Toll Free Number: +44 (0) 808 -101-1697



Suite 200, Financial Plaza
204 Lambert Street
Whitehorse, Yukon
Canada Y1A 3T2

January 23, 2012

To: The Securityholders of European Goldfields Limited

The board of directors (the “**European Goldfields Board**”) invites you to attend a special meeting (the “**European Goldfields Meeting**”) of securityholders (the “**European Goldfields Securityholders**”) of European Goldfields Limited (“**European Goldfields**” or the “**Company**”) to be held at 11:00 a.m. (Toronto time) on February 21, 2012 at the offices of Stikeman Elliott LLP, 5300 Commerce Court West, 199 Bay Street, Toronto, Ontario M5L 1B9, Canada.

On December 18, 2011, European Goldfields entered into an arrangement agreement, as amended and restated on January 19, 2012 (the “**Arrangement Agreement**”) with Eldorado Gold Corporation (“**Eldorado**”) whereby, subject to the terms and conditions of the Arrangement Agreement, Eldorado will acquire all of the issued and outstanding common shares in the capital of European Goldfields (the “**European Goldfields Shares**”) pursuant to a plan of arrangement (the “**Arrangement**”). Assuming the Arrangement becomes effective, the holders of European Goldfields common shares (“**European Goldfields Shareholders**”) will receive 0.85 of a common share of Eldorado (each an “**Eldorado Share**”) and Cdn\$0.0001 in cash for each European Goldfields Share held. In addition, each outstanding option to purchase European Goldfields Shares (“**European Goldfields Options**”) will be converted into an option to purchase Eldorado Shares at a ratio of 0.85 of a Eldorado Share for each European Goldfields Share underlying the European Goldfields Option and at an exercise price per Eldorado Share equal to the exercise price per share of such European Goldfields Option divided by 0.85. The expiry date and vesting terms of each European Goldfields Option will be unchanged as a result of the Arrangement. The Arrangement also provides for the treatment of restricted share units and deferred phantom units of European Goldfields.

The European Goldfields Board, based in part on the unanimous recommendation of the Special Committee of the Board composed of independent directors, which was created to consider the Arrangement (the “**Special Committee**”) and certain fairness opinions received from BMO Nesbitt Burns Inc. and Lazard & Co., Limited, as described in the accompanying management information circular (the “**Circular**”), has determined that the consideration to be received by European Goldfields Securityholders pursuant to the Arrangement is fair and that the Arrangement is in the best interests of the Company and recommends that the European Goldfields Securityholders vote **FOR** the Arrangement. The determination of the Special Committee and the European Goldfields Board is based on various factors described more fully in the accompanying notice of special meeting and the Circular.

To be effective, the Arrangement must be approved by a special resolution passed by: (i) at least two-thirds of the votes cast by European Goldfields Shareholders present in person or represented by proxy at the European Goldfields Meeting; and (ii) at least two-thirds of the votes cast by European Goldfields Shareholders, holders of European Goldfields Options (“**European Goldfields Option Holders**”) and holders (“**European Goldfields RSU Holders**”) of restricted share units of European Goldfields (“**European Goldfields RSUs**”), voting together as a single class, present in person or represented by proxy at the European Goldfields Meeting. European Goldfields Shareholders, European Goldfields Option Holders and European Goldfields RSU Holders are entitled to one vote for each European Goldfields Share, European Goldfields Option and European Goldfields RSU held, as applicable. Certain directors and senior officers of the Company have entered into voting and support agreements with

Eldorado, whereby they have agreed to vote their European Goldfields Shares, European Goldfields Options and European Goldfields RSUs, as applicable, in favour of the Arrangement. The Arrangement is also subject to approval by the Supreme Court of Yukon and is subject to the satisfaction of certain other conditions, including approval by the shareholders of Eldorado ("**Eldorado Shareholders**") as discussed below. The accompanying Circular provides a description of the Arrangement and includes certain additional information to assist you in considering how to vote on the special resolution. You are urged to read this information carefully and, if you require assistance, to consult your tax, financial, legal or other professional advisors.

Eldorado Shareholders will be asked to vote on a resolution to approve the issuance of Eldorado Shares and replacement options in connection with the Arrangement (the "**Eldorado Resolution**") at a special meeting of the Eldorado Shareholders (the "**Eldorado Meeting**"). The Eldorado Resolution requires the approval of at least a majority of the votes cast by Eldorado Shareholders at the Eldorado Meeting.

Your vote is important. Accompanying this Circular are several documents requiring your attention. We encourage you to complete, sign, date and return the applicable form of proxy or voting instruction form, in accordance with the instructions set out therein and in the Circular, so that your European Goldfields Shares, European Goldfields Options and European Goldfields RSUs, as applicable, can be voted at the European Goldfields Meeting in accordance with your instructions. In order to be effective, a proxy must be deposited with the Company's registrar and transfer agent, Computershare Investor Services Inc., Attention: Proxy Department, 100 University Avenue, 9th Floor, Toronto, Ontario, Canada, M5J 2Y1 no later than 11:00 a.m. (Toronto time) on February 17, 2012 or two Business Days prior to any adjournment or postponement of the European Goldfields Meeting. We also encourage registered European Goldfields Shareholders to complete, sign, date and return the enclosed letter of transmittal in accordance with the instructions set out therein and in the accompanying Circular, to the Depository, Kingsdale Shareholder Services Inc. ("**Kingsdale**"), The Exchange Tower, 130 King Street West, Suite 2950, Toronto, ON, M5X 1E2, so that if the Arrangement is completed, the Eldorado Shares to which you are entitled can be sent to you as soon as possible following completion of the Arrangement. If you have any questions regarding the deposit of your shares to the Arrangement, please contact Kingsdale at 1-888-518-6812 or by email at contactus@kingsdaleshareholder.com. Further information with respect to Kingsdale is set forth in the Letter of Transmittal.

Phoenix Advisory Partners ("**Phoenix**") has been retained to assist in connection with communications with shareholders of the Company and to solicit proxies in favour of the special resolution more particularly described in the Circular. For more information and assistance in voting your proxy, please contact Phoenix toll-free at 1-800-243-9416 or by email at inquiries@phoenixadvisorypartners.com. Further information with respect to Phoenix is set forth on the back cover of the Circular.

Subject to obtaining the approval of the European Goldfields Securityholders, the Eldorado Shareholders and the Supreme Court of Yukon, and to satisfying certain other conditions, the Arrangement is expected to close on or about February 24, 2012.

Yours very truly,

"Martyn Konig"

Martyn Konig
President, Executive Chairman and Director



Suite 200, Financial Plaza
204 Lambert Street
Whitehorse, Yukon
Canada Y1A 3T2

EUROPEAN GOLDFIELDS LIMITED

NOTICE OF SPECIAL MEETING OF SECURITYHOLDERS

NOTICE IS HEREBY GIVEN that, pursuant to an order of the Supreme Court of Yukon dated January 23, 2012 (the “**Interim Order**”), a special meeting (the “**European Goldfields Meeting**”) of the holders (“**European Goldfields Shareholders**”) of common shares (“**European Goldfields Shares**”), holders (“**European Goldfields RSU Holders**”) of European Goldfields restricted share units (“**European Goldfields RSUs**”) and holders (“**European Goldfields Option Holders**”, and together with European Goldfields Shareholders and European Goldfields RSU Holders, “**European Goldfields Securityholders**”) of options to purchase European Goldfields Shares (“**European Goldfields Options**”) in the capital of European Goldfields Limited (“**European Goldfields**” or the “**Company**”) will be held at 11:00 a.m. (Toronto time) on February 21, 2012 at the offices of Stikeman Elliott LLP, 5300 Commerce Court West, 199 Bay Street, Toronto, Ontario M5L 1B9, Canada, for the following purposes:

1. to consider and, if thought advisable, to pass, with or without variation, a special resolution (the “**Arrangement Resolution**”) to approve a plan of arrangement involving the Company, the European Goldfields Securityholders and Eldorado Gold Corporation (“**Eldorado**”) pursuant to Section 195 of the Yukon Business Corporations Act (the “**YBCA**”). The full text of the Arrangement Resolution is set forth in Appendix “A” to the accompanying management information circular dated January 23, 2012 (the “**Circular**”); and
2. to transact such further and other business as may properly be brought before the European Goldfields Meeting or any adjournment thereof.

Specific details of the matters proposed to be put before the European Goldfields Meeting are set forth in the Circular which accompanies and is deemed to form part of this Notice of Special Meeting.

The record date for determining the European Goldfields Securityholders entitled to receive notice of and vote at the European Goldfields Meeting is the close of business on January 19, 2012 (the “**Record Date**”). Only European Goldfields Shareholders whose names have been entered in the register of European Goldfields Shareholders as of the close of business on the Record Date and European Goldfields RSU Holders and European Goldfields Option Holders as of the Record Date are entitled to receive notice of and vote at the European Goldfields Meeting. The European Goldfields Shareholders of record will be entitled to vote those European Goldfields Shares included in the list of European Goldfields Shareholders entitled to vote at the European Goldfields Meeting prepared as at the Record Date. Each European Goldfields RSU and European Goldfields Option entitled to be voted at the European Goldfields Meeting will entitle the holder thereof as of the Record Date to one vote at the European Goldfields Meeting in respect of the Arrangement Resolution for each European Goldfields Share entitled to be acquired pursuant to each European Goldfields RSU or European Goldfields Option held, as applicable, voting together as a single class with European Goldfields Shareholders.

A European Goldfields Securityholder may attend the European Goldfields Meeting in person or may be represented by proxy. European Goldfields Securityholders who are unable to attend the European Goldfields Meeting or any adjournment thereof in person are requested to date, sign and return the applicable accompanying form of proxy for use at the European Goldfields Meeting or any

adjournment thereof. To be effective, a proxy must be received by Computershare Investor Services Inc. at 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1 (Attn: Proxy Department) by 11:00 a.m. (Toronto time) on February 17, 2012 or two Business Days prior to any adjournment of the European Goldfields Meeting.

European Goldfields Securityholders who are planning to return a form of proxy are encouraged to review the Circular carefully before submitting the applicable proxy form.

If you are a non-registered or beneficial holder of European Goldfields Shares and have received these materials through your broker or through another intermediary, please complete and return the form of proxy provided to you by your broker or other intermediary in accordance with the instructions provided therein. Failure to do so may result in your European Goldfields Shares not being eligible to be voted by proxy at the European Goldfields Meeting. In addition, if you are a beneficial holder of European Goldfields Shares, please contact your broker or other intermediary to instruct them to deposit your European Goldfields Shares to the Arrangement. Your broker should do so prior to the European Goldfields Meeting in order for you to receive your entitlement as soon as possible after the closing of the Arrangement.

If you are a registered holder of European Goldfields Shares, in order to receive the consideration for your European Goldfields Shares, you must submit the accompanying Letter of Transmittal, together with the share certificates representing your European Goldfields Shares to the Depository, Kingsdale Shareholder Services Inc., in accordance with the instructions provided therein. If you have any questions about depositing your shares, please contact Kingsdale Shareholder Services Inc. by telephone at 1-888-518-6812 toll free in North America or (416) 867-2272 outside of North America or by email at contactus@kingsdaleshareholder.com.

Pursuant to the Interim Order, each registered European Goldfields Shareholder has been granted the right to dissent in respect of the Arrangement Resolution and, if the Arrangement becomes effective, to be paid the fair value of such holder's European Goldfields Shares in accordance with section 193 of the YBCA, as modified and supplemented by the Interim Order and the Plan of Arrangement. To exercise such right, (a) a written notice of objection to the Arrangement Resolution must be received by the Company, c/o Macdonald & Company, 200 - 204 Lambert Street, Whitehorse, Yukon Territory Y1A 3T2, Fax: 867-667-7600, Email: ghowells@anton.yk.ca, Attention: Gareth C. Howells, not later than 5:00 p.m. (Toronto time) on February 17, 2012, or two Business Days prior to any adjournment of the European Goldfields Meeting, (b) the European Goldfields Shareholder must not have voted in favour of the Arrangement Resolution, and (c) the European Goldfields Shareholder must have otherwise complied with the provisions of section 193 of the YBCA, as modified and supplemented by the Interim Order and the Plan of Arrangement. The right to dissent is described in the Circular and the texts of the Interim Order and section 193 of the YBCA are set forth in Appendices F and D, respectively, to the Circular.

Persons who are beneficial owners of European Goldfields Shares registered in the name of a broker, custodian, nominee or other intermediary who wish to dissent should be aware that only registered holders of European Goldfields Shares are entitled to dissent. Accordingly, a beneficial owner of European Goldfields Shares desiring to exercise this right must make arrangements for the European Goldfields Shares beneficially owned by such person to be registered in his, her or its name prior to the time the written notice of dissent to the Arrangement Resolution is required to be received by the Company or, alternatively, make arrangements for the registered holder of European Goldfields Shares to dissent on his, her or its behalf.

Failure to strictly comply with the requirements set forth in section 193 of the YBCA, as modified and supplemented by the Interim Order and the Plan of Arrangement, may result in the loss of any right of dissent.

If you have any questions, please feel free to contact **Phoenix Advisory Partners** by telephone at **1-800-243-9416** toll free or by email at inquiries@phoenixadvisorypartners.com. If you have questions about depositing your European Goldfields Shares to the Arrangement, please contact Kingsdale Shareholder Services Inc. by telephone at 1-888-518-6812 toll free in North America or (416) 867-2272 outside of North America or by email at contactus@kingsdaleshareholder.com.

**BY ORDER OF THE BOARD OF DIRECTORS
OF EUROPEAN GOLDFIELDS LIMITED**

"Martyn Konig"

Martyn Konig, President, Executive Chairman
and Director
European Goldfields Limited

London, England
January 23, 2012

TABLE OF CONTENTS

| | |
|---|-----------|
| NOTE TO UNITED STATES SHAREHOLDERS | 1 |
| CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS..... | 3 |
| TECHNICAL INFORMATION | 4 |
| ELDORADO DOCUMENTS INCORPORATED BY REFERENCE..... | 4 |
| EUROPEAN GOLDFIELDS LIMITED DOCUMENTS INCORPORATED BY REFERENCE | 6 |
| REPORTING CURRENCIES AND ACCOUNTING PRINCIPLES | 7 |
| EXCHANGE RATES | 7 |
| INFORMATION CONTAINED IN THIS CIRCULAR..... | 8 |
| INFORMATION PERTAINING TO ELDORADO | 9 |
| SUMMARY | 10 |
| The European Goldfields Meeting | 10 |
| Purpose of the European Goldfields Meeting | 10 |
| Vote Required to Approve the Arrangement | 10 |
| The Arrangement..... | 11 |
| Opinions of BMO Capital Markets and Lazard..... | 18 |
| The Arrangement Agreement | 18 |
| Arrangement Mechanics..... | 20 |
| Rights of Dissent | 21 |
| Interests of Certain Persons in the Arrangement | 22 |
| GENERAL PROXY INFORMATION | 24 |
| Date, Time and Place of the European Goldfields Meeting..... | 24 |
| Record Date | 24 |
| Solicitation of Proxies | 25 |
| Enquiries | 25 |
| Appointment and Revocation of Proxies | 25 |
| Proxy Voting..... | 26 |
| Advice to Beneficial Holders of European Goldfields Shares | 26 |
| Quorum..... | 27 |
| Principal Holders of European Goldfields Shares | 27 |
| THE ARRANGEMENT | 28 |
| Background to the Arrangement..... | 28 |
| Recommendation of the Special Committee..... | 31 |
| Recommendation of the European Goldfields Board..... | 32 |
| Reasons for the Arrangement | 32 |
| Voting Agreements..... | 35 |
| The Arrangement..... | 36 |
| Stock Exchange Listings..... | 39 |
| Opinions of BMO Capital Markets and Lazard..... | 39 |
| Shareholder and Court Approvals..... | 40 |
| Arrangement Mechanics..... | 41 |
| Lost Certificates..... | 44 |
| Cancellation of Rights after Six Years | 44 |
| Procedure for Exchange of European Goldfields Options..... | 44 |
| Fractional Shares..... | 45 |
| Interests of Directors and Officers of European Goldfields in the Arrangement | 45 |
| THE ARRANGEMENT AGREEMENT | 47 |
| Representations and Warranties..... | 48 |
| Conditions Precedent to the Arrangement | 49 |
| Covenants | 52 |

| | |
|---|------------|
| Termination of the Arrangement Agreement..... | 62 |
| Directors' and Officers' Insurance..... | 66 |
| Amendment..... | 66 |
| RISK FACTORS..... | 67 |
| Risks Related to the Arrangement..... | 67 |
| Risks Related to the Operations of the Combined Company..... | 68 |
| RIGHTS OF DISSENTING SHAREHOLDERS..... | 70 |
| CANADIAN FEDERAL INCOME TAX CONSIDERATIONS..... | 73 |
| General..... | 73 |
| Eligibility for Investment..... | 74 |
| Currency Conversion..... | 75 |
| European Goldfields Shareholders Resident in Canada..... | 75 |
| European Goldfields Shareholders Not Resident in Canada..... | 79 |
| CERTAIN MATERIAL UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS..... | 81 |
| Characterization of the Arrangement Transactions..... | 82 |
| Tax Consequences if the Arrangement Transactions Qualify as a Reorganization..... | 82 |
| Taxation of Distributions to U.S. Holders on Eldorado Shares..... | 83 |
| Taxation of Capital Gains to U.S. Holders on Eldorado Shares..... | 84 |
| Passive Foreign Investment Company (PFIC) Rules..... | 85 |
| Information Reporting and Backup Withholding..... | 87 |
| Additional Tax on Investment Income..... | 87 |
| CERTAIN UNITED KINGDOM INCOME TAX CONSIDERATIONS..... | 87 |
| Tax Consequences of Arrangement..... | 88 |
| Tax Treatment of Holdings of Consideration Shares..... | 89 |
| Future Disposal of Consideration Shares..... | 89 |
| UK Stamp Duty and Stamp Duty Reserve Tax ("SDRT")..... | 90 |
| European Goldfields CDI Holders - Eldorado CDIs..... | 90 |
| NOTICE TO NON-CANADIAN EUROPEAN GOLDFIELDS SHAREHOLDERS..... | 90 |
| SECURITIES LAWS CONSIDERATIONS..... | 90 |
| Canadian Securities Laws..... | 91 |
| U.S. Securities Laws..... | 92 |
| INFORMATION PERTAINING TO EUROPEAN GOLDFIELDS..... | 95 |
| Intercorporate Relationships..... | 95 |
| Recent Developments..... | 96 |
| Price Range and Trading Volumes of the European Goldfields Shares..... | 97 |
| Prior Sales..... | 99 |
| Consolidated Capitalization..... | 100 |
| INFORMATION PERTAINING TO ELDORADO..... | 101 |
| Overview..... | 101 |
| Property Information..... | 101 |
| Information Respecting Directors and Officers..... | 101 |
| Description of Eldorado Shares..... | 102 |
| Dividends..... | 103 |
| Consolidated Capitalization..... | 103 |
| Prior Sales..... | 104 |
| Number of Securities..... | 104 |
| Price Range and Trading Volumes of the Eldorado Shares..... | 107 |
| Available Information..... | 107 |
| Risk Factors..... | 107 |

| | |
|---|------------|
| INFORMATION PERTAINING TO THE COMBINED COMPANY | 107 |
| General | 107 |
| Organizational Chart..... | 108 |
| Capital Structure | 108 |
| Unaudited Pro Forma Consolidated Financial Information..... | 108 |
| INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS..... | 109 |
| INTERESTS OF EXPERTS OF ELDORADO AND EUROPEAN GOLDFIELDS | 109 |
| Interests of Experts of European Goldfields | 109 |
| Interests of Experts of Eldorado | 109 |
| ADDITIONAL INFORMATION | 110 |
| OTHER MATTERS | 110 |
| DIRECTORS' APPROVAL..... | 110 |
| GLOSSARY OF TERMS..... | 111 |
| CONSENT OF KPMG LLP | I |
| CONSENT OF ERNST & YOUNG LLP | II |
| CONSENT OF BMO NESBITT BURNS INC..... | III |
| CONSENT OF LAZARD & CO., LIMITED | IV |
| APPENDIX A ARRANGEMENT RESOLUTION | A-1 |
| APPENDIX B PLAN OF ARRANGEMENT | B-1 |
| APPENDIX C FAIRNESS OPINIONS OF BMO NESBITT BURNS INC. AND LAZARD & CO., LIMITED | C-1 |
| APPENDIX D INTERIM ORDER | D-1 |
| APPENDIX E NOTICE OF APPLICATION | E-1 |
| APPENDIX F DISSENT PROVISIONS | F-1 |
| APPENDIX G UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS | G-1 |
| APPENDIX H ELDORADO PROPERTY INFORMATION..... | H-1 |

Capitalized terms in this part of the Circular not otherwise defined have the meanings set out in the Glossary of Terms in the Circular.

NOTE TO UNITED STATES SHAREHOLDERS

THE ELDORADO SECURITIES TO BE ISSUED IN CONNECTION WITH THE ARRANGEMENT HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SEC OR THE SECURITIES REGULATORY AUTHORITIES IN ANY STATE IN THE UNITED STATES, NOR HAS THE SEC OR THE SECURITIES REGULATORY AUTHORITIES OF ANY STATE IN THE UNITED STATES PASSED ON THE ADEQUACY OR ACCURACY OF THIS CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.

The Eldorado Shares to be issued under the Arrangement have not been registered under the U.S. Securities Act or applicable state securities laws and are being issued in reliance on the Section 3(a)(10) Exemption, on the basis of the approval of the Court as described under “Securities Laws Considerations” in this Circular. The solicitation of proxies is not subject to the requirements of Section 14(a) of the U.S. Exchange Act, by virtue of an exemption applicable to proxy solicitations by foreign private issuers as defined in Rule 3b-4 under the U.S. Exchange Act. Accordingly, this Circular has been prepared in accordance with applicable Canadian disclosure requirements and such requirements differ from those of the United States applicable to registration statements under the U.S. Securities Act and proxy statements under the U.S. Exchange Act.

The Eldorado Shares (but not the Option Shares) will be freely transferable under U.S. federal securities laws, except by persons who are “affiliates” of Eldorado after the Effective Time or were affiliates of Eldorado within 90 days prior to the Effective Time. See “Securities Laws Considerations – U.S. Securities Laws”.

The Eldorado Replacement Options may be exercised only by a holder who represents that at the time of exercise the holder is not then located in the United States, is not a U.S. Person, and is not exercising the Eldorado Replacement Options for the account or benefit of a U.S. Person or a person in the United States, unless the Eldorado Replacement Options and the securities issuable upon exercise of such options have been registered under the U.S. Securities Act or the holder provides a legal opinion or other evidence reasonably satisfactory to Eldorado to the effect that the exercise of the Eldorado Replacement Options do not require registration under the U.S. Securities Act.

Notwithstanding the foregoing, subject to certain limitations, any Eldorado Shares issuable upon exercise of the Eldorado Replacement Options may be resold outside the United States without registration under the U.S. Securities Act pursuant to Regulation S under the U.S. Securities Act, including in transactions over the TSX (if the applicable securities are so listed).

Information concerning the properties and operations of the Company and Eldorado has been prepared in accordance with the requirements of Canadian securities laws, which differ from the requirements of United States securities laws. Unless otherwise indicated, all mineral reserve and mineral resource estimates included or incorporated by reference in this Circular have been prepared in accordance with Canadian National Instrument 43-101 *Standards of Disclosure for Mineral Projects* (“**NI 43-101**”) and the Canadian Institute of Mining, Metallurgy and Petroleum definitions and classification system. NI 43-101 is a rule developed by the Canadian Securities Administrators which establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects, and requires that all such disclosure be made under the supervision of a Qualified Person. It also requires issuers to file technical reports at certain times under a prescribed format.

Canadian standards, including NI 43-101, differ significantly from the requirements of the SEC, and mineral reserve and mineral resource information contained or incorporated by reference in this Circular may not be comparable to similar information disclosed by United States companies. In particular, and without limiting the generality of the foregoing, the term “resource” does not equate to the term “reserve”. Under United States standards, mineralization may not be classified as a “reserve” unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made. The SEC’s disclosure standards normally do not permit the inclusion of information concerning “measured mineral resources”, “indicated mineral resources” or “inferred mineral resources” or other descriptions of the amount of mineralization in mineral deposits that do not constitute “reserves” by United States standards in documents filed with the SEC. United States investors should also understand that “inferred mineral resources” have a great amount of uncertainty as to their existence and as to their economic and legal feasibility. It cannot be assumed that all or any part of an “inferred mineral resource” will ever be upgraded to a higher category. Under Canadian rules, estimates of “inferred mineral resources” may not form the basis of feasibility or pre-feasibility studies except in rare cases. Investors are cautioned not to assume that all or any part of an “inferred mineral resource” exists or is economically or legally mineable. Disclosure of “contained ounces” in a mineral resource estimate is permitted disclosure under NI 43-101 provided that the grade or quality and the quantity of each category is stated; however, the SEC normally only permits issuers to report mineralization that does not constitute “reserves” by SEC standards as in place tonnage and grade without reference to unit measures. The requirements of NI 43-101 for identification of “reserves” are also not the same as those of the SEC, and reserves reported in compliance with NI 43-101 may not qualify as “reserves” under SEC standards. Accordingly, information contained in this Circular and the documents incorporated by reference herein containing descriptions of mineral deposits may not be comparable to similar information made public by U.S. companies subject to the reporting and disclosure requirements under the U.S. federal securities laws and the rules and regulations thereunder.

Financial statements included or incorporated by reference herein have been prepared in accordance with GAAP, and are subject to auditing and auditor independence standards in Canada, and thus may not be comparable in all respects to the financial statements of United States companies. U.S. Shareholders should be aware that the exchange of their European Goldfields Shares for Eldorado Shares as described herein may have tax consequences in both the United States and Canada. Such consequences for U.S. Shareholders who are resident in, or citizens of, the United States may not be described fully herein. U.S. Shareholders should consult their own tax advisors as to the tax consequences of any exchange, exercise or sale of any securities received in connection with the Arrangement. See “Canadian Federal Income Tax Considerations” and “Certain Material United States Federal Income Tax Considerations” in this Circular.

The enforcement by investors of civil liabilities under United States federal securities laws may be affected adversely by the fact that the Company and Eldorado are incorporated or organized under the laws of a foreign country, that some or all of their officers and directors and the experts named herein may be residents of a foreign country, and that all or a substantial portion of the assets of European Goldfields, Eldorado and those persons may be located outside the United States. As a result, it may be difficult or impossible for U.S. Shareholders to effect service of process within the United States upon the Company or Eldorado, their respective officers or directors or the experts named herein, or to realize against them upon judgments of courts of the United States predicated upon civil liabilities under the federal securities laws of the United States or “blue sky” laws of any state within the United States. In addition, U.S. Shareholders should not assume that the courts of Canada: (a) would enforce judgments of United States courts obtained in actions against such persons predicated upon civil liabilities under the federal securities laws of the United States or “blue sky” laws of any state within the United States; or (b)

would enforce, in original actions, liabilities against such persons predicated upon civil liabilities under the federal securities laws of the United States or “blue sky” laws of any state within the United States.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Except for the statements of historical fact contained herein, the information presented in this Circular and the information incorporated by reference herein, constitutes “forward-looking statements” within the meaning of the *United States Private Securities Litigation Reform Act of 1995* and “forward-looking information” within the meaning of applicable Canadian Securities Laws concerning the business, operations and financial performance and condition of each of the Company, Eldorado and the Combined Company. Often, but not always, forward-looking statements and forward-looking information can be identified by words such as “pro forma”, “plans”, “expects”, “may”, “should”, “could”, “will”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, “believes”, or variations including negative variations thereof of such words and phrases that refer to certain actions, events or results that may, could, would, might or will occur or be taken or achieved. Forward-looking statements and forward-looking information involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company, Eldorado or the Combined Company to differ materially from any future results, performance or achievements expressed or implied by the forward-looking statements or forward-looking information. Such factors include, among others, risks related to the integration of acquisitions; risks related to international operations; risks related to joint venture operations; actual results of current exploration activities; conclusions of economic evaluations; changes in mine parameters as plans continue to be refined; future prices of gold, possible variations in ore reserves, grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals; financing in the completion of development or construction activities; global economic conditions; or legislative, political, social or economic developments in the jurisdictions in which the Parties carry on business, as well as those factors discussed in the section entitled “Risk Factors” in this Circular. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

In addition, forward-looking and pro forma information herein is based on certain assumptions and involves risks related to the consummation or non-consummation of the Arrangement and the business and operations of the Combined Company. Pro forma information contained herein is based on certain assumptions including that European Goldfields Securityholders will vote in favour of the Arrangement, that Eldorado Shareholder Approval will be obtained, that the Court will approve the Arrangement and that all other conditions to the Arrangement are satisfied or waived. Other assumptions include, but are not limited to, the ability of the Combined Company to realize the enhanced growth opportunities currently anticipated for the Combined Company, realize the benefits of the Combined Company’s growth projects, and meet key production and cost estimates. Risks include the risk that upon completion of the Arrangement the market value of the Eldorado Shares will be different from the value at the time the exchange ratio was agreed, that the conditions to the Arrangement will not be satisfied or waived, the Arrangement Agreement may be terminated, the information available to the Company in respect of Eldorado may not be accurate or complete, there may be unforeseen or unexpected tax and other consequences to the transactions which would have a material adverse effect on the Combined Company, production, construction and technological risks related to the Combined Company, capital requirements

and operating risks associated with the expanded operations of the Combined Company, risks associated with the market price of the shares of the Combined Company and other risks discussed in this Circular. Although the Company has attempted to identify important factors that could cause actions, events or results to differ materially from those described in forward-looking statements and forward-looking information in this Circular, and the documents incorporated by reference herein, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There is no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements or information. Accordingly, readers should not place undue reliance on forward-looking statements and forward-looking information in this Circular, nor in the documents incorporated by reference herein. All of the forward-looking statements made in this Circular, including all documents incorporated by reference herein, are qualified by these cautionary statements. The Company undertakes no obligation to update any of the forward-looking statements or forward-looking information in this Circular or incorporated by reference herein, except as required by law.

Certain of the forward-looking statements and forward-looking information and other information contained herein concerning the mining industry and European Goldfields' general expectations concerning the mining industry, the Company, Eldorado and the Combined Company, are based on estimates prepared by the Company or Eldorado using data from publicly available industry sources as well as from market research and industry analysis and on assumptions based on data and knowledge of this industry which the Company believes to be reasonable. However, although generally indicative of relative market positions, market shares and performance characteristics, these data are inherently imprecise. While the Company is not aware of any misstatement regarding any industry data presented herein, the mining industry involves risks and uncertainties that are subject to change based on various factors.

TECHNICAL INFORMATION

Disclosure of a scientific or technical nature regarding the European Goldfields Mineral Rights in this Circular and incorporated by reference herein were prepared by or under the supervision of the Qualified Persons described under the heading "Interests of Experts - Names of Experts" in the European Goldfields AIF.

Disclosure of a scientific or technical nature regarding the Eldorado Mineral Rights in this Circular were prepared by or under the supervision of the Qualified Persons described under the heading "Mineral reserves and resources - Qualified persons under NI 43-101" in the Eldorado AIF.

ELDORADO DOCUMENTS INCORPORATED BY REFERENCE

The following documents, filed by Eldorado with the Canadian Securities Authorities, are specifically incorporated by reference into, and form an integral part of, this Circular on the basis set forth under "Information Pertaining to Eldorado":

- (a) annual information form of Eldorado dated March 30, 2011 for the fiscal year ended December 31, 2010 (the "Eldorado AIF");
- (b) consolidated annual financial statements of Eldorado as at and for the years ended December 31, 2010 and 2009, together with the notes thereto and the auditors' report thereon;

- (c) management's discussion and analysis of the financial condition and results of operations for Eldorado for the year ended December 31, 2010;
- (d) unaudited interim condensed consolidated financial statements of the financial condition and results of operations for Eldorado as at September 30, 2011 and 2010 and for the three and nine-month periods ended September 30, 2011 and 2010;
- (e) management's discussion and analysis of Eldorado as at September 30, 2011 and for the three and nine-month periods ended September 30, 2011;
- (f) management information circular of Eldorado dated March 23, 2011 distributed in connection with the annual meeting of shareholders held on May 5, 2011;
- (g) the material change report of Eldorado dated January 10, 2012, with respect to its 2011 operating results and 2012 operating guidance;
- (h) the material change report of Eldorado dated December 23, 2011, with respect to the Arrangement and the Arrangement Agreement;
- (i) the material change report of Eldorado dated November 4, 2011, with respect to its third quarter financial and operating results;
- (j) the material change report of Eldorado dated August 24, 2011, with respect to the results of the Kisladag expansion study;
- (k) the material change report of Eldorado dated July 29, 2011, with respect to its second quarter financial and operating results;
- (l) the material change report of Eldorado dated July 29, 2011, with respect to the announcement of a dividend payment;
- (m) the material change report of Eldorado dated June 17, 2011, with respect to receipt of its trial operating permit at the Efemcukuru gold project in Izmir and the supplementary environmental impact assessment positive certificate at Kisladag gold mine in Usak;
- (n) the material change report of Eldorado dated May 27, 2011, with respect to changes to the Eldorado Board and Eldorado's executive management team;
- (o) the material change report of Eldorado dated May 6, 2011, with respect to its first quarter financial and operating results;
- (p) the material change report of Eldorado dated February 18, 2011, with respect to its 2010 fourth quarter financial and operating results; and
- (q) the material change report of Eldorado dated January 13, 2011, with respect to its 2010 operating results and 2011 operating guidance.

All material change reports (other than confidential reports), audited annual financial statements and management's discussion and analysis and all other documents of the type referred to in section 11.1 of Form 44-101F1 – *Short Form Prospectus* filed by Eldorado with the Canadian Securities Authorities on SEDAR at www.sedar.com after the date of this Circular and before the European Goldfields Meeting are deemed to be incorporated by reference into this Circular.

Any statement contained in this Circular or in any other document incorporated by reference in this Circular shall be deemed to be modified or superseded to the extent that a statement contained herein or in any other subsequently filed document which also is deemed to be incorporated by reference in this Circular modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document which it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a Material Fact or an omission to state a Material Fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not constitute a part of this Circular except as so modified or superseded.

EUROPEAN GOLDFIELDS LIMITED DOCUMENTS INCORPORATED BY REFERENCE

The following documents, filed by the Company with the Canadian Securities Authorities, are specifically incorporated by reference into, and form an integral part of, this Circular on the basis set forth under "Information Contained in this Circular":

- (a) annual information form of the Company dated March 30, 2011 for the fiscal year ended December 31, 2010 ("**European Goldfields AIF**");
- (b) consolidated annual financial statements of the Company as at and for the years ended December 31, 2010 and 2009, together with the notes thereto and the auditors' report thereon;
- (c) management's discussion and analysis of the results of operations and financial condition for European Goldfields for the years ended December 31, 2010 and 2009;
- (d) unaudited interim consolidated financial statements for the Company as at September 30, 2011 and for the three and nine-month periods ended September 30, 2011;
- (e) management's discussion and analysis of the results of operations and financial condition of the Company as at September 30, 2011 and for the three and nine-month periods ended September 30, 2011;
- (f) management information circular of the Company dated November 23, 2011 distributed in connection with the special meeting of shareholders held on December 22, 2011;
- (g) material change report of European Goldfields dated July 25, 2011 in respect of the updated mineral resource and mineral reserve estimate as disclosed in a NI 43-101 technical report dated July 14, 2011 entitled "Skouries CU/AU Project, Greece, NI 43-101 Report";

- (h) material change report of European Goldfields dated July 25, 2011 in respect of the updated mineral resource and mineral reserve estimate as disclosed in a NI 43-101 technical report dated July 14, 2011 entitled “Technical Report on the Olympias Project – Au Pb Zn Ag Deposit, Northern Greece”;
- (i) management information circular of the Company dated April 11, 2011 distributed in connection with the annual meeting of shareholders held on May 13, 2011;
- (j) the material change report of the Company dated December 23, 2011, with respect to the Arrangement; and
- (k) the material change report of the Company dated October 11, 2011, with respect to the Qatari Transactions.

All material change reports (other than confidential reports), audited annual financial statements and management’s discussion and analysis and all other documents of the type referred to in section 11.1 of Form 44-101F1 – *Short Form Prospectus* filed by the Company with the Canadian Securities Authorities on SEDAR at www.sedar.com after the date of this Circular and before the European Goldfields Meeting are deemed to be incorporated by reference into this Circular.

Any statement contained in this Circular or in any other document incorporated by reference in this Circular shall be deemed to be modified or superseded to the extent that a statement contained herein or in any other subsequently filed document which also is deemed to be incorporated by reference in this Circular modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document which it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a Material Fact or an omission to state a Material Fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not constitute a part of this Circular except as so modified or superseded.

REPORTING CURRENCIES AND ACCOUNTING PRINCIPLES

Unless otherwise indicated, all references to “Cdn\$” in this Circular refer to Canadian dollars and all reference herein to “US\$” in this Circular refer to U.S. dollars. Eldorado’s financial statements that are incorporated by reference herein are reported in U.S. dollars and are prepared in accordance with GAAP. The Company’s financial statements are reported in Canadian dollars and are prepared in accordance with GAAP.

EXCHANGE RATES

The following table sets forth (i) the noon rates of exchange for the Canadian dollar, expressed in Canadian dollars per U.S. dollar, in effect at the end of the period indicated, (ii) the average noon rates of exchange for such periods, and (iii) the high and low noon rates of exchange during such periods, in each case based on the noon rates of exchange as quoted by the Bank of Canada.

| | Year Ended December 31 | | |
|------------------------------|-------------------------------|-------------|-------------|
| | 2011 | 2010 | 2009 |
| High..... | 1.0604 | 1.0778 | 1.300 |
| Low..... | 0.9449 | 0.9946 | 1.0292 |
| Rate at end of period..... | 1.0170 | 0.9946 | 1.0466 |
| Average rate for period..... | 0.9891 | 1.0299 | 1.1420 |

The following table sets forth (i) the noon rates of exchange for the Canadian dollar, expressed in Canadian dollars per Pounds Sterling, in effect at the end of the period indicated, (ii) the average noon rates of exchange for such periods, and (iii) the high and low noon rates of exchange during such periods, in each case based on the noon rates of exchange as quoted by the Bank of Canada.

| | Year Ended December 31 | | |
|------------------------------|-------------------------------|-------------|-------------|
| | 2011 | 2010 | 2009 |
| High..... | 1.6332 | 1.7268 | 1.9148 |
| Low..... | 1.5297 | 1.4876 | 1.6368 |
| Rate at end of period..... | 1.5799 | 1.5513 | 1.6918 |
| Average rate for period..... | 1.5861 | 1.5918 | 1.7804 |

On December 16, 2011, the last trading day of the European Goldfields Shares before the announcement of the Arrangement, the rate of exchange was (i) US\$1.00 equals Cdn\$1.0388, based on the noon rate of exchange as quoted by the Bank of Canada, and (ii) £1.00 equals Cdn\$1.6115, based on the noon rate of exchange as quoted by the Bank of Canada.

On January 19, 2012, the rate of exchange was (i) US\$1.00 equals Cdn\$1.0095 based on the noon rate of exchange as quoted by the Bank of Canada, and (ii) £1.00 equals Cdn\$1.5630, based on the noon rate of exchange as quoted by the Bank of Canada.

INFORMATION CONTAINED IN THIS CIRCULAR

The information contained in this Circular is given as at January 19, 2012, except where otherwise noted and except that information in documents incorporated by reference is given as of the dates noted therein. No person has been authorized to give any information or to make any representation in connection with the Arrangement and other matters described herein other than those contained in this Circular and, if given or made, any such information or representation should be considered not to have been authorized by the Company or Eldorado.

This Circular does not constitute the solicitation of an offer to purchase, or the making of an offer to sell, any securities or the solicitation of a proxy by any person in any jurisdiction in which such solicitation or offer is not authorized or in which the person making such solicitation or offer is not qualified to do so or to any person to whom it is unlawful to make such solicitation or offer.

Information contained in this Circular should not be construed as legal, tax or financial advice and European Goldfields Shareholders are urged to consult their own professional advisors in connection therewith.

Descriptions in this Circular of the terms of the Arrangement Agreement and the Plan of Arrangement are summaries of the terms of those documents. European Goldfields Shareholders should refer to the full text of each of the Arrangement Agreement and the Plan of Arrangement for complete details of those documents. The full text of the Arrangement Agreement may be viewed on SEDAR at www.sedar.com. The Plan of Arrangement is appended as Appendix B to this Circular.

INFORMATION PERTAINING TO ELDORADO

Certain information in this Circular pertaining to Eldorado, including, but not limited to, information pertaining to Eldorado under “Information Pertaining to Eldorado” and “Information Pertaining to the Combined Company” and the unaudited pro forma consolidated financial statements attached as Appendix G to this Circular has been furnished by Eldorado, or is derived from Eldorado’s publicly available documents or records of Eldorado on file with Canadian Securities Authorities and other public sources at the time of this Circular. Although the Company does not have any knowledge that would indicate that such information is untrue or incomplete, neither the Company nor any of its directors or officers assumes any responsibility for the accuracy or completeness of such information including any of Eldorado’s financial statements, or for the failure by Eldorado to disclose events or information that may affect the completeness or accuracy of such information.

For further information regarding Eldorado, please refer to Eldorado’s filings with the Canadian Securities Authorities, the SEC and the Australia Securities Exchange (“**ASX**”) which may be obtained through the SEDAR website at www.sedar.com, through the SEC’s EDGAR system at www.sec.gov and through www.ASX.com.au Company Announcements.

SUMMARY

The following summarizes the principal features of the Arrangement and certain other matters. This Summary should be read together with and is qualified in its entirety by the more detailed information and financial data and statements contained elsewhere in this Circular, including the appendices hereto and documents incorporated into this Circular by reference. Capitalized terms in this Summary have the meanings set out in the Glossary of Terms or as set out in this Summary. The full text of the Arrangement Agreement may be viewed on SEDAR at www.sedar.com under filings made by the Company.

The European Goldfields Meeting

The European Goldfields Meeting will be held at 11:00 a.m. (Toronto time) on February 21, 2012 at the offices of Stikeman Elliott LLP, 5300 Commerce Court West, 199 Bay Street, Toronto, Ontario M5L 1B9, Canada.

The record date for determining the European Goldfields Securityholders entitled to receive notice of and to vote at the European Goldfields Meeting is January 19, 2012 (the “**Record Date**”). Only European Goldfields Securityholders of record as of the close of business on the Record Date are entitled to receive notice of and to vote at the European Goldfields Meeting.

Purpose of the European Goldfields Meeting

The purpose of the European Goldfields Meeting is for European Goldfields Shareholders and European Goldfields Securityholders, voting together as a single class, to consider and, if thought advisable, pass, with or without variation, the Arrangement Resolution. If the Arrangement is completed, Eldorado will acquire all of the issued and outstanding European Goldfields Shares, transfer the European Goldfields Shares to Eldorado Holdco, and European Goldfields will amalgamate with Eldorado Holdco to form Amalco. Amalco will be a wholly-owned subsidiary of Eldorado. As a result of the Arrangement, each European Goldfields Shareholder (other than a Dissenting Shareholder and Eldorado) will receive 0.85 of an Eldorado Share and Cdn\$0.0001 in cash for each European Goldfields Share held. The effective date of the Arrangement shall also be deemed to be the vesting date for all of the then issued and outstanding European Goldfields RSUs, and European Goldfields will issue to each holder of a European Goldfields RSU such number of European Goldfields Shares as are due to such holder (less any applicable withholding amount) in order to participate in the Arrangement. Each European Goldfields Option will be converted into an option to purchase Eldorado Shares (a “**Eldorado Replacement Option**”) at a ratio of 0.85 of an Eldorado Share for each European Goldfields Share underlying the European Goldfields Option and at an exercise price per Eldorado Share equal to the exercise price per share of such European Goldfields Option divided by 0.85. The expiry date and vesting terms of each European Goldfields Option will be unchanged as a result of the Arrangement. The Arrangement also provides for the treatment of deferred phantom units of European Goldfields (“**European Goldfields DPUs**”).

See “The Arrangement”.

Vote Required to Approve the Arrangement

At least two-thirds of the votes cast on the Arrangement Resolution by European Goldfields Shareholders and at least two-thirds of the votes cast on the Arrangement Resolution by European Goldfields Securityholders (voting together as a single class) at the European Goldfields Meeting must be voted **FOR** the Arrangement Resolution in order for it to be approved. The Arrangement is also subject to the approval of at least a majority of the votes cast by Eldorado Shareholders at the Eldorado Meeting. See

“The Arrangement – Shareholder and Court Approvals” and “The Arrangement – Interests of Directors and Officers of European Goldfields in the Arrangement”.

The Arrangement

The purpose of the Arrangement is to effect the acquisition of European Goldfields by Eldorado. Upon completion of the Arrangement, Eldorado will acquire all of the issued and outstanding European Goldfields Shares, transfer the European Goldfields Shares to Eldorado Holdco, and European Goldfields will amalgamate with Eldorado Holdco to form Amalco. Amalco will be a wholly-owned subsidiary of Eldorado. As a result of the Arrangement, each European Goldfields Shareholder (other than a Dissenting Shareholder and Eldorado) will receive 0.85 of an Eldorado Share and Cdn\$0.0001 in cash for each European Goldfields Share. See “The Arrangement – Reasons for the Arrangement” in this Circular.

Following the completion of the Arrangement, European Goldfields Shareholders will hold approximately 23% of the then outstanding Eldorado Shares. There can be no assurance that Eldorado will not issue additional Eldorado Shares or securities convertible into Eldorado Shares prior to the completion of the Arrangement and, as a result, the ownership interest in Eldorado held by the former European Goldfields Shareholders could be diluted. See “The Arrangement”.

Background to Arrangement

In July 2008, Eldorado made its first investment in Greece, through the acquisition of the Perama Hill project in North-Eastern Greece. Since that point, European Goldfields and Eldorado have maintained periodic contact, including discussions from time to time about the potential combination of the two businesses, and European Goldfields was aware that over this time Eldorado met with Ellaktor S.A., as a potential business partner in Greece. Aktor Construction International Limited, a wholly owned subsidiary of Ellaktor S.A., is a significant shareholder of European Goldfields and a partner of European Goldfields for the building of gold projects in Greece and South East Europe. During 2008 and in September 2009, representatives of Eldorado visited the assets of European Goldfields in Greece.

At the Denver Gold Show in September 2010, Mr. Paul Wright, President and Chief Executive Officer of Eldorado, met informally with Mr. Martyn Konig, President and Executive Chairman of European Goldfields, to discuss a potential business combination between the two companies. At the same conference, Mr. Konig and other Company executives informally met with senior management of another interested party to also discuss potential business combinations. A mutual confidentiality agreement was later signed with such interested party.

In October 2010, Mr. Wright approached Mr. Konig to explore in more detail the possibility of a transaction between the two companies. The European Goldfields Board established a Special Committee of independent directors at a meeting of the European Goldfields Board held on October 15, 2010 for the purpose of considering possible transactions affecting control of the Company. The Special Committee consisted of all the independent non-executive directors of the Company, being Bruce Burrows, as Chairman, Jeff O’Leary and Alfred Vinton. The Board provided the Special Committee with a mandate to:

- a. supervise and oversee the negotiations of the terms and conditions of any possible transactions affecting control which may be presented to the Company and to supervise the preparation of any related legal agreements or other documentation, in each case, with the benefit of advice

from management and the Company's outside advisors and subject to final approval by the European Goldfields Board;

- b. consider and evaluate the terms and conditions of any possible transactions affecting control of European Goldfields and supervise and oversee the negotiations of any such transactions, with the benefit of advice from management and the Company's outside advisors and subject to final approval by the European Goldfields Board; and
- c. report to the European Goldfields Board as to whether or not the Special Committee recommends that the European Goldfields Board approve any such transaction, subject to approval by the European Goldfields Board.

On October 21, 2010, a mutual confidentiality agreement was signed in which Eldorado agreed, among other things, to a standstill provision that expired on June 1, 2011. At the same time, European Goldfields and Eldorado entered into an agreement pursuant to which European Goldfields agreed to deal exclusively with Eldorado respecting a business combination transaction between the companies for a period ending on the earlier of November 1, 2010 and the signing of a definitive agreement respecting such proposed transaction. Eldorado and European Goldfields carried out mutual due diligence on each other at this stage.

Discussions relating to a possible transaction between Eldorado and European Goldfields did not conclude in agreement at that time and the Special Committee was formally adjourned on November 3, 2010.

On July 8, 2011, the Greek government announced its approval of the EIS submitted by the Company's 95%-owned subsidiary, Hellas Gold S.A., for the development of the Company's Skouries and Olympias assets in Greece. Since then, European Goldfields analyzed various alternatives to secure the capital required to bring the Company's development projects, including its Greek assets, into production, including entering into a confidentiality agreement on August 25, 2011 with Qatar Holding, which ultimately culminated in the announcement by the Company of the signing of the Heads of Terms with Qatar Holding with respect to the Qatari Transactions on October 3, 2011. One of the provisions of the binding Heads of Terms was that European Goldfields agreed to deal exclusively with Qatar Holding respecting any financing, any share issuance for the purpose of raising capital, any encumbrance or disposal of its shares in Hellas Gold S.A. or any proposed transaction that might preclude the Qatari Transactions for a period ending on the earlier of March 31, 2012, 24 hours following the disapproval of European Goldfields Shareholders at a meeting called for the purpose of approving the Qatari Transactions and the signing of a definitive agreement respecting such Qatari Transactions.

On October 6, 2011, Mr. Wright contacted Mr. Konig and arranged to meet with Mr. Konig in London. On October 12 and 17, 2011, after the announcement of the Qatari Transactions, Mr. Wright met informally with Mr. Konig at European Goldfields' offices in London to discuss a possible business combination between Eldorado and European Goldfields.

In mid-November 2011, management of European Goldfields became aware that Mr. Wright had been in conversation with at least one of the Company's major shareholders and reconvened the Special Committee to the European Goldfields Board with Alfred Vinton now acting as Chairman. The first meeting of the Special Committee was held on November 18, 2011 during which the Special Committee considered valuation matters, and assessed the relative benefits of proceeding with the Qatari Transactions as compared to a potential transaction with Eldorado.

On December 1, 2011, European Goldfields mailed a circular to its shareholders seeking approval for the Qatari Transactions and this circular was filed on SEDAR.

On December 2, 2011, Eldorado sent a letter to Mr. Konig making a non-binding conditional proposal to European Goldfields where Eldorado would acquire all of the European Goldfields Shares at an exchange ratio of 0.75 of an Eldorado Share for one European Goldfields Share. In the letter Eldorado confirmed that BlackRock Investment Management (UK) Limited, one of the largest institutional shareholders in European Goldfields and Eldorado, had signed a soft lock up agreement supporting an offer.

On December 2, 2011, European Goldfields sent a letter to Eldorado indicating that it had received Eldorado's proposal and would review the proposal internally and with their advisors and respond to Eldorado the following week.

On December 5, 2011, European Goldfields received a letter from the third party that had previously shown interest in a business combination with the Company stating that it remained interested in exploring such a business combination with European Goldfields but did not provide details as to the value of such business combination.

On December 6, 2011, the Special Committee met to consider the offer and, taking advice from its financial advisers, Lazard and BMO Capital Markets, resolved that an offer at a 0.75 exchange ratio was not adequate for European Goldfields Shareholders. Mr. Konig sent a letter to Mr. Wright on that same day formally rejecting the offer. On the same day, there was public media speculation that a bid might be forthcoming from Eldorado resulting in a 22% increase in European Goldfields' share price. As a result, the TSX halted trading in the European Goldfields Shares. In response, European Goldfields issued a statement informing the market that preliminary and indicative approaches had been received but that no assurances could be made that any transaction would result. Trading resumed later that day.

On December 11, 2011 Mr. Konig and Mr. Wright had informal discussions where Mr. Wright indicated that he would be willing to consider an increase to the proposed share exchange ratio. The Special Committee met on December 12, 2011 to consider this and concluded, particularly in the context of the Qatari Transactions, that it was essential that value for European Goldfields Shareholders was maximized. After further conversations between Mr. Konig and Mr. Wright, on December 13, 2011 Eldorado delivered a letter to the European Goldfields Board making a non-binding conditional proposal for an all-share transaction between Eldorado and European Goldfields with an exchange ratio of 0.85 of an Eldorado Share for one European Goldfields Share. The Special Committee met to consider the revised proposal and, taking advice from its financial advisers, Lazard and BMO Capital Markets, recommended that the Company proceed to negotiate a transaction with Eldorado on this basis. Later that day, Mr. Konig sent the Eldorado Board a letter confirming that the Special Committee recommended proceeding to negotiate a transaction with Eldorado at an exchange ratio of 0.85 of an Eldorado Share for one European Goldfields Share, subject to execution of an exclusivity agreement and negotiation of the Arrangement Agreement and related transaction documentation including certain voting support agreements.

In order to enable the parties to negotiate the final Arrangement Agreement, European Goldfields and Eldorado entered into a new exclusivity agreement on December 15, 2011 that granted exclusivity between the parties until Monday, December 19, 2011.

On December 16, 2011, a mutual due diligence conference call took place between Eldorado and European Goldfields. The call was attended by senior management from European Goldfields and

Eldorado, Lazard, BMO Capital Markets, Stikeman Elliott LLP, Merrill Lynch Canada Inc., GMP Securities L.P. and Borden Ladner Gervais LLP.

The management and legal teams of both parties then proceeded to negotiate and settle the terms of the Arrangement Agreement until the morning of December 18, 2011. During this time, representatives of Eldorado's and European Goldfields' management and financial advisors were also in frequent contact.

In the afternoon on Sunday, December 18, 2011, the Special Committee met to consider the final draft Arrangement Agreement and all of the final terms of the Arrangement. During the meeting, the Special Committee received separate fairness opinions from Lazard and BMO Capital Markets each concluding that the Consideration was fair, from a financial point of view, to European Goldfields Shareholders. After careful deliberation the Special Committee unanimously passed a resolution recommending that the European Goldfields Board approve the Arrangement and recommend to European Goldfields Shareholders that they vote in favour of the Arrangement. Immediately following this meeting, a meeting of the full European Goldfields Board was convened, and after due consideration of the Special Committee recommendation, the European Goldfields Board unanimously passed a resolution approving the Arrangement, authorizing the Company to enter into the Arrangement Agreement and recommending that European Goldfields Shareholders vote in favour of the Arrangement.

Following the European Goldfields Board meeting, execution copies of the Arrangement Agreement, European Goldfields Voting Agreements, Eldorado Voting Agreements and ancillary documents were finalized. The Arrangement Agreement was then executed and delivered and the terms of the transaction were announced in separate press releases by Eldorado and European Goldfields at approximately 2:35 p.m. (PST) on Sunday, December 18, 2011 prior to the opening of trading on the AIM on Monday, December 19, 2011. European Goldfields and Eldorado held separate conference calls and audio webcasts on Monday December 19, 2011 at 8:00 a.m. (GMT) and at 7:00 a.m. (PST), respectively, to discuss the Arrangement.

The European Goldfields Voting Agreements and the Eldorado Voting Agreements were executed and delivered on or prior to the close of business in Vancouver on December 19, 2011.

On December 22, 2011, the special meeting of European Goldfields Shareholders to approve the Qatari Transactions was adjourned until the later of (i) the conclusion of the later of the European Goldfields Meeting and the Eldorado Meeting, (ii) at least ten days following the Effective Date if the Arrangement is approved by the European Goldfields Shareholders and the Eldorado Resolution is approved by the Eldorado Shareholders, or (iii) such other date as the Parties may agree in writing. The Arrangement Agreement provides that European Goldfields may continue to pursue the Qatari Transactions and all matters related thereto, provided that European Goldfields shall not have any obligations or liabilities in connection with the Qatari Transactions or any matters related thereto that survive completion of the Arrangement should the Arrangement be approved (other than payment of the Qatari Break Fee and the Heads of Terms). Should the Arrangement not be approved, European Goldfields intends to pursue the Qatari Transactions, however, in such circumstances there is no guarantee that the Qatari Transactions will be completed.

Recommendation of the Special Committee and the European Goldfields Board

Each of BMO Capital Markets and Lazard have given an opinion to the effect that, as of the date thereof and subject to the assumptions, limitations and qualifications contained therein, the Consideration to be received by European Goldfields Shareholders pursuant to the Arrangement is fair, from a financial point

of view, to European Goldfields Shareholders. The Special Committee, having taken into account such fairness opinions and such other matters it considered relevant, unanimously recommended that the European Goldfields Board approve the Arrangement and recommend that the European Goldfields Securityholders vote **FOR** the Arrangement Resolution.

After careful consideration, the European Goldfields Board unanimously determined that the Consideration under the Arrangement is fair to European Goldfields Securityholders and that the Arrangement is in the best interests of European Goldfields. **Accordingly, the European Goldfields Board unanimously recommends that European Goldfields Securityholders vote FOR the Arrangement Resolution.** See “The Arrangement – Recommendation of the Special Committee” and “The Arrangement – Recommendation of the European Goldfields Board”.

Reasons for the Arrangement

In the course of their evaluation of the Arrangement, the Special Committee and the European Goldfields Board consulted with European Goldfields’ senior management, legal counsel and each of BMO Capital Markets and Lazard, and considered a number of factors including, among others, the following:

- *Premium to European Goldfields Shareholders.* Eldorado has offered European Goldfields Shareholders a premium to the European Goldfields Share price. The Consideration to be received by European Goldfields Shareholders under the Arrangement represents a premium of approximately 48.4% based based on both companies’ TSX closing share prices on December 5, 2011, the last trading day before the Company announced it had received preliminary approaches; and 56.5% based on both companies’ 20-day TSX volume weighted average prices ended on December 5, 2011.
- *Exposure to Eldorado’s portfolio of high quality assets.* If the Arrangement is completed, European Goldfields Shareholders would gain exposure to Eldorado’s portfolio of low cost currently producing mines and near term development projects.
- *Increased geographic and asset diversification.* If the Arrangement is completed, European Goldfields Shareholders would gain exposure to an expanded global operating footprint and a diversified profile of assets with the addition of near-term development projects and producing mines.
- *Eldorado’s track record of development and operational success.* If the Arrangement is completed, European Goldfields Shareholders could expect to benefit from Eldorado’s track record of high quality project development and leading mine operatorship since Eldorado has consistently delivered on market expectations for its assets and has a dedicated project development team which can be used to construct and commission European Goldfields’ project portfolio.
- *Eldorado’s financing capability.* Eldorado has historically been a positive cash flow generator, and has significant cash at hand as well as undrawn facilities that could be used to provide financing for the European Goldfields’ development assets.
- *Creation of a leading intermediate gold producer.* Completion of the Arrangement would create a company with attributable gold reserves of over 27 million ounces, a growth profile to deliver approximately 1.4 million ounces of gold production by 2014 and a pro forma market capitalization of almost US\$11 billion.

- *Enhanced returns.* If the Arrangement is completed, European Goldfields Shareholders, through ownership of Eldorado Shares, would benefit from Eldorado's gold-linked dividend distribution program.
- *Enhanced market presence.* If the Arrangement is completed, European Goldfields Shareholders would hold shares in a company with significantly greater analyst coverage, investor attention and share liquidity than currently enjoyed by European Goldfields.
- *Value to shareholders.* If the Arrangement is completed, the Combined Company is expected to deliver higher value to European Goldfields Shareholders over a shorter timescale than European Goldfields alone. Completion of the Arrangement would also likely mitigate the potential downside during the construction process of European Goldfields' assets and at the same time provides access to significant upside and most likely a better market rating.
- *Support of existing shareholders.* BlackRock Investment Management (UK) Limited, one of the largest institutional shareholders in the Company, has entered into a soft lock up agreement with Eldorado supporting a transaction between the Parties at an exchange ratio lower than the 0.85 exchange ratio in the Arrangement.
- *Advice from BMO Capital Markets and Lazard.* The receipt by the Special Committee and the European Goldfields Board of the fairness opinions of BMO Capital Markets and Lazard, each dated December 18, 2011, that as of the date thereof and subject to the assumptions, limitations and qualifications contained therein, the Consideration to be received by European Goldfields Shareholders pursuant to the Arrangement is fair, from a financial point of view, to European Goldfields Shareholders. The BMO Capital Markets Fairness Opinion and the Lazard Fairness Opinion are attached as Appendix C to this Circular.
- *The terms of the Arrangement Agreement.* Under the Arrangement Agreement, the European Goldfields Board remains able to respond, in accordance with its fiduciary duties, to unsolicited proposals that are more favourable to European Goldfields Shareholders than the Arrangement.
- *Support agreements.* Certain directors and senior officers of European Goldfields, who in total hold approximately 3.63% of the outstanding European Goldfields Shares as at January 19, 2012, have entered into support agreements with Eldorado pursuant to which they have agreed, among other things, to vote in favour of the Arrangement.
- *Required securityholder and court approvals.* The European Goldfields Board considered the following rights and approvals which protect European Goldfields Securityholders:
 - the Arrangement Resolution must be approved by not less than two-thirds of the votes cast at the European Goldfields Meeting;
 - the Arrangement must be approved by the Court, which will consider, among other things, the fairness of the Arrangement to European Goldfields Securityholders; and
 - European Goldfields Shareholders have the right to dissent to the Arrangement.

In the course of its deliberations, the Special Committee and the European Goldfields Board also identified and considered a variety of risks (as described in greater detail under “Risk Factors” in this Circular) and potentially negative factors in connection with the Arrangement, including, but not limited to:

- Eldorado Shares issued on Closing may have a market value different than at the time of announcement of the Arrangement.
- The completion of the Arrangement is subject to several conditions that must be satisfied or waived, including, among other things, that European Goldfields Shareholder Approval, European Goldfields Combined Securityholder Approval, Eldorado Shareholder Approval and, if applicable, the Foreign Antitrust Clearance shall have been obtained. There can be no certainty that these conditions will be satisfied or waived.
- The Arrangement Agreement may be terminated by European Goldfields or Eldorado in certain circumstances, in which case the market price for European Goldfields Shares may be adversely affected.
- The issuance of a significant number of Eldorado Shares pursuant to the Arrangement could adversely affect the market price of Eldorado Shares.
- If European Goldfields is required to pay the European Goldfields Termination Fee and an alternative transaction is not completed, European Goldfields’ financial condition may be adversely affected.
- The Combined Company may not realize the full benefits currently anticipated due to challenges associated with integrating the operations, technologies and personnel of European Goldfields and Eldorado and due to the legislative, political, social or economic developments in the jurisdictions in which the Parties carry on business.
- The Combined Company may not meet key production or cost estimates.
- The cash flow from operations of the Combined Company may be affected by a change in the production outlook.
- If the Arrangement is not completed for any reason, it may not be possible for the Company to secure alternative funding for its project development either as a result of pursuing the Qatari Transactions or from other sources.

See “The Arrangement – Opinions of BMO Capital Markets and Lazard” and the financial statements of Eldorado incorporated by reference into this Circular.

Support Agreements

Certain directors and senior officers of European Goldfields have entered into the Eldorado Voting Agreements, pursuant to which such directors and senior officers have agreed to vote the European Goldfields Securities beneficially owned or controlled by them in favour of the Arrangement Resolution and to act otherwise in support of the Arrangement. As at January 19, 2012, the directors and senior

officers of European Goldfields who entered into Eldorado Voting Agreements, held, in the aggregate, approximately 3.63% of the outstanding European Goldfields Shares.

Certain directors and senior officers of Eldorado have entered into the European Goldfields Voting Agreement, pursuant to which such directors and senior officers have agreed to vote the Eldorado Shares beneficially owned or controlled by them in favour of the Eldorado Resolution and to act otherwise in support of the Arrangement. As at January 19, 2012, the directors and senior officers of Eldorado who entered into European Goldfields Voting Agreements, held, in the aggregate, approximately 0.11% of the outstanding Eldorado Shares on a non-diluted basis.

See “The Arrangement – Support Agreements” in this Circular.

Opinions of BMO Capital Markets and Lazard

BMO Capital Markets Fairness Opinion and Lazard Fairness Opinion

European Goldfields retained BMO Capital Markets and Lazard to address the fairness, from a financial point of view, of the Consideration to be received by European Goldfields Shareholders pursuant to the Arrangement. In connection with this mandate, BMO Capital Markets and Lazard each provided an opinion to the European Goldfields Board and the Special Committee that, as at the date of such opinions and subject to the assumptions, limitations and qualifications stated in such opinions, the Consideration to be received by the European Goldfields Shareholders pursuant to the Arrangement is fair, from a financial point of view, to the European Goldfields Shareholders. The full text of the BMO Capital Markets Fairness Opinion and the Lazard Fairness Opinion, setting out the assumptions made, matters considered and limitations and qualifications on the review undertaken in connection therewith, are attached as Appendix C to this Circular, respectively. The summary of the BMO Capital Markets Fairness Opinion and the Lazard Fairness Opinion contained in this Circular is qualified in its entirety by reference to the full text of such opinions.

The BMO Capital Markets Fairness Opinion and the Lazard Fairness Opinion are not recommendations to any European Goldfields Shareholder as to how to vote or act on any matter relating to the Arrangement. The Special Committee and the European Goldfields Board urge European Goldfields Shareholders to read each of the BMO Capital Markets Fairness Opinion and the Lazard Fairness Opinion carefully and in its entirety.

See “The Arrangement – Opinions of BMO Capital Markets and Lazard” in this Circular and Appendix C.

The Arrangement Agreement

Representations and Warranties

The Arrangement Agreement contains customary representations and warranties made by European Goldfields to Eldorado and customary representations and warranties made by Eldorado to European Goldfields. See “The Arrangement Agreement – Representations and Warranties” in this Circular.

Conditions Precedent

The Arrangement is subject to the satisfaction of certain conditions, including without limitation, that the Arrangement Resolution shall have been approved and adopted at the European Goldfields Meeting in

accordance with the Interim Order and Eldorado Shareholder Approval shall have been obtained. See “The Arrangement Agreement – Conditions Precedent to the Arrangement” in this Circular.

Non-Solicitation Covenants of European Goldfields and Eldorado

Pursuant to the Arrangement Agreement, European Goldfields has agreed that it will not, directly or indirectly, through any officer, director, employee, advisor, representative, agent or otherwise: (i) make, solicit, initiate, encourage, entertain, or otherwise facilitate any Acquisition Proposal, (ii) participate in any discussions or negotiations regarding any Acquisition Proposal, (iii) withdraw or change the approval or recommendation of the European Goldfields Board of the Arrangement, (iv) approve, recommend or remain neutral respecting an Acquisition Proposal, or (v) enter into any agreement related to an Acquisition Proposal.

Notwithstanding the foregoing, European Goldfields may, prior to approval of the Arrangement Resolution by the European Goldfields Shareholders, consider, negotiate and provide information to a Person who has made an unsolicited written Acquisition Proposal that European Goldfields determines is or could reasonably be expected to result in a Superior Proposal, provided that European Goldfields notifies Eldorado of such Acquisition Proposal and enters into a confidentiality agreement with such third party.

See “The Arrangement Agreement – Covenants” in this Circular.

Superior Proposals

European Goldfields may accept, approve, recommend or enter into any agreement in respect of a Superior Proposal prior to the approval of the Arrangement by the European Goldfields Shareholders and terminate the Arrangement Agreement if, and only if: (i) the European Goldfields Board determines that the Acquisition Proposal constitutes a Superior Proposal; (ii) the European Goldfields Meeting has not occurred; (iii) European Goldfields has complied with the non-solicitation provisions of the Arrangement Agreement; (iv) European Goldfields has provided to Eldorado a notice in writing of the Superior Proposal together with all documentation related to and detailing the Superior Proposal; (v) five Business Days shall have elapsed from the date European Goldfields provided Eldorado with the documentation in respect of the Superior Proposal; (vi) European Goldfields terminates the Arrangement Agreement in accordance with its provisions; and (vii) European Goldfields pays to Eldorado the European Goldfields Termination Fee.

In the event of a Superior Proposal, Eldorado has the opportunity, but not the obligation, to propose to amend the terms of the Arrangement Agreement and the Arrangement. In such event, European Goldfields shall cooperate with Eldorado, including by negotiating in good faith, and consistent with certain non-solicitation provisions of the Arrangement Agreement, to enable Eldorado to proceed with the Arrangement on adjusted terms. The European Goldfields Board is required to review any such proposal, in good faith in the exercise of its fiduciary duties, as to whether such amended Eldorado proposal would result in the Acquisition Proposal not being a Superior Proposal in comparison to Eldorado’s proposed amendment to the terms of the Arrangement Agreement and the Arrangement.

See “The Arrangement Agreement – Covenants” in this Circular.

Termination of Arrangement Agreement, Termination Fees and Expense Fees

The Arrangement Agreement may be terminated at any time before the Effective Time, in the circumstances specified in the Arrangement Agreement. The Arrangement Agreement provides that European Goldfields must pay the European Goldfields Termination Fee of Cdn\$75 million to Eldorado in the circumstances described in the Arrangement Agreement. The Arrangement Agreement also provides that Eldorado must pay the Eldorado Termination Fee of Cdn\$75 million to European Goldfields in the circumstances described in the Arrangement Agreement. The Arrangement Agreement also provides that should Qatar Holding make a claim for the Qatari Break Fee prior to the Effective Time, Eldorado shall promptly, and in any event, within two Business Days, pay for the Qatari Break Fee.

The Arrangement Agreement provides that European Goldfields must pay the European Goldfields Expense Fee of Cdn\$15 million to Eldorado in the circumstances described in the Arrangement Agreement. The Arrangement Agreement also provides that Eldorado must pay the Eldorado Expense Fee of Cdn\$30 million to European Goldfields in the circumstances described in the Arrangement Agreement.

See “The Arrangement Agreement - Termination of the Arrangement Agreement - Eldorado Termination Fee” or “The Arrangement Agreement - Termination of the Arrangement Agreement - European Goldfields Termination Fee” in this Circular.

Arrangement Mechanics

Exchange of European Goldfields Share Certificates

A Letter of Transmittal is enclosed with this Circular for use by Registered Shareholders for the purpose of the surrender of European Goldfields Shares in exchange for the Consideration pursuant to the Arrangement. Upon return of a properly completed Letter of Transmittal by a Registered Shareholder, together with certificates representing European Goldfields Shares and such other documents as the Depository may require, certificates for the appropriate number of Eldorado Shares and cheques representing the amount of cash (rounded up to the nearest cent) to which such Registered Shareholder is entitled to as determined in accordance with the provisions of the Plan of Arrangement will be mailed to the Registered Shareholder.

No fractional Eldorado Shares will be issued to European Goldfields Shareholders. The number of Eldorado Shares to be issued to European Goldfields Shareholders shall be rounded down to the nearest whole Eldorado Share in the event that a European Goldfields Shareholder is entitled to a fractional Eldorado Share and the European Goldfields Shareholder will receive a cash payment in Canadian dollars (rounded down to the nearest cent) determined on the basis of an amount equal to the volume-weighted trading price on the TSX of the Eldorado Shares over the five Business Days ending one business day before the Effective Date, multiplied by the fractional share amount.

European Goldfields CDIs

The Eldorado Shares and any cash consideration that European Goldfields CDI Holders are entitled to receive as determined in accordance with the Plan of Arrangement is intended to ultimately be delivered to European Goldfields CDI Holders in CREST (through Cede & Co., as the registered holder of the relevant European Goldfields Shares) by means of Eldorado CDIs. Eldorado has applied for the Eldorado Shares to be capable of being delivered, held and settled through CREST as depository interests.

Following the Effective Date, Eldorado will accordingly deliver the applicable number of Eldorado Shares, in the form of Eldorado CDIs, and any cash consideration to which European Goldfields CDI Holders are entitled to under the Arrangement and arrange to have such Consideration credited to each European Goldfields CDI Holder's CREST member account.

The Eldorado CDIs will represent entitlements to the underlying Eldorado Shares. On receipt of Eldorado CDIs, European Goldfields CDI Holders will not be the registered holders of the underlying Eldorado Shares, however, ownership of Eldorado CDIs will represent entitlement to the beneficial ownership of such Eldorado Shares and will bear the same ISIN.

CREST only accepts settlement of cash in Pounds Sterling, Euros or U.S. dollars. The amount of any cash consideration that a European Goldfields CDI Holder is entitled to receive under the Arrangement as determined in accordance with the Plan of Arrangement will be converted into U.S dollars at the then current rates of exchange on the Effective Date.

See "The Arrangement - Arrangement Mechanics" in this Circular.

Cancellation of Rights after Six Years

Any certificate formerly representing European Goldfields Shares not duly surrendered on or prior to the sixth anniversary of the Effective Date shall cease to represent a claim or interest of any kind or nature against Eldorado or European Goldfields by a former holder of European Goldfields Shares. On such date, the Consideration that such former holder of European Goldfields Shares was entitled to receive shall be automatically cancelled without any repayment of capital in respect thereof and the Consideration to which such former holder of European Goldfields Shares was entitled, shall be delivered to Eldorado by the Depository. Certificates representing Eldorado Shares forming a part of the Consideration will be cancelled by Eldorado, and the interest of such former holder of European Goldfields Shares in such Eldorado Shares to which it was entitled shall be terminated. **Accordingly, persons who tender certificates for European Goldfields Shares after the sixth anniversary of the Effective Date will not receive Eldorado Shares, will not own any interest in European Goldfields, Eldorado or the Combined Company, and will not be paid any cash or other compensation.**

Rights of Dissent

Registered Shareholders have Dissent Rights with respect to the Arrangement. Any Registered Shareholder who dissents from the Arrangement Resolution in accordance with section 193 of the YBCA, as amended by the Plan of Arrangement and the Interim Order, will be entitled to be paid by Eldorado the fair value of the European Goldfields Shares held by the European Goldfields Shareholder, determined as at the point in time immediately before the Arrangement Resolution is approved by the European Goldfields Securityholders. These Dissent Rights must be strictly complied with in order for a Registered Shareholder to receive cash representing the fair value of European Goldfields Shares held.

To exercise the Dissent Right a written notice of objection to the Arrangement Resolution must be received by European Goldfields, **c/o Macdonald & Company, 200 - 204 Lambert Street, Whitehorse, Yukon Territory Y1A 3T2, Fax: 867-667-7600, Email: ghowells@anton.yk.ca, Attention: Gareth C. Howells**, not later than 5:00 p.m. (Toronto time) on February 17, 2012, or two Business Days prior to any adjournment of the European Goldfields Meeting.

See "Rights of Dissenting Shareholders" in this Circular.

Interests of Certain Persons in the Arrangement

In considering the recommendation of the European Goldfields Board, European Goldfields Shareholders should be aware that members of the European Goldfields Board and the officers of European Goldfields have interests in the Arrangement or may receive benefits that may differ from, or be in addition to, the interests of European Goldfields Shareholders generally.

All benefits received, or to be received, by directors or executive officers of European Goldfields as a result of the Arrangement are, and will be, solely in connection with their services as directors or employees of European Goldfields or the Combined Company. No benefit has been, or will be, conferred for the purpose of increasing the value of consideration payable to any such person for European Goldfields Shares, nor is it, or will it be, conditional on the person supporting the Arrangement.

The employment contracts of certain directors and senior officers of European Goldfields provide for termination payments pursuant to a change of control of European Goldfields. In addition, certain directors and senior officers of European Goldfields hold European Goldfields RSUs and European Goldfields DPUs. If the Arrangement is completed, the vesting of such European Goldfields RSUs is automatically accelerated and the directors will have the option to elect to receive Eldorado Shares rather than cash to settle the amount owing to them under the European Goldfields DPU Plan. Such accelerated vesting and election to receive Eldorado Shares and any termination payments payable to any directors or senior officers of European Goldfields pursuant to a change of control provision in an employment agreement, taken together, may be considered to be “collateral benefits” received by the applicable directors or senior officers of European Goldfields for the purposes of MI 61-101.

See “Securities Laws Considerations – Canadian Securities Laws – Collateral Benefits under MI 61-101” and “The Arrangement – Interests of Directors and Officers of European Goldfields in the Arrangement”.

Selected Unaudited Pro Forma Financial Information

The selected unaudited pro forma consolidated financial information set forth below should be read in conjunction with Eldorado’s unaudited pro forma consolidated financial statements and the accompanying notes thereto attached as Appendix G to this Circular. The pro forma consolidated balance sheet has been prepared from the unaudited consolidated balance sheet of Eldorado as at September 30, 2011 and gives pro forma effect to the successful completion of the Arrangement as if the transactions occurred on September 30, 2011. The pro forma consolidated statement of operations for the year ended December 31, 2010 has been prepared from Eldorado’s audited consolidated statements of operations for the year ended December 31, 2010 with unaudited IFRS transitional adjustments as reported in the March 31, 2011 unaudited interim financial statements and gives effect to the successful completion of the Arrangement as if the transaction occurred on January 1, 2010. The pro forma consolidated statement of operations for the nine month period ended September 30, 2011 has been prepared from the unaudited interim condensed consolidated income statement of Eldorado for the nine month period ended September 30, 2011 and gives pro forma effect to the successful completion of the Arrangement as if the transactions occurred on January 1, 2010.

The summary unaudited pro forma consolidated financial information is not intended to be indicative of the results that would actually have occurred, or the results expected in future periods, had the events reflected herein occurred on the dates indicated. Actual amounts recorded upon consummation of the Arrangement will differ from the pro forma information presented below. No attempt has been made to calculate or estimate potential synergies between Eldorado and European Goldfields. The unaudited pro

forma consolidated financial statement information set forth below is extracted from and should be read in conjunction with the unaudited pro forma consolidated financial statements of Eldorado and the accompanying notes included in Appendix G to this Circular.

Summary of unaudited Pro Forma
Information of Eldorado In thousands of US
Dollars, except per share amounts

| | Pro Forma (IFRS) | |
|--|---|---------------------------------|
| | Nine months ended September 30, 2011 | Year ended December 31, 2010 |
| Consolidated Statement of Operations | | |
| Metal sales | 836,225 | 841,030 |
| Operating profit | 332,695 | 206,620 |
| Net income attributable to Eldorado Shareholders | 185,585 | 110,620 |
| Net income per share - basic | 0.26 | 0.16 |
| Net income per share - diluted | 0.26 | 0.16 |
| Consolidated Balance Sheet | | |
| Cash and cash equivalents | 343,848 | N/A |
| Assets | 6,729,403 | N/A |
| Liabilities | 1,153,877 | N/A |
| Debt, including current portion | 104,942 | N/A |
| Shareholders' equity attributable to Eldorado Shareholders | 5,381,413 | N/A |
| Non-controlling interest | 194,113 | N/A |

GENERAL PROXY INFORMATION

Date, Time and Place of the European Goldfields Meeting

The European Goldfields Meeting will be held on February 21, 2012 at 11:00 a.m. (Toronto time) at the offices of Stikeman Elliott LLP, 5300 Commerce Court West, 199 Bay Street, Toronto, Ontario, M5L 1B9, Canada.

Record Date

Only European Goldfields Securityholders of record as of the close of business (Toronto time) on the Record Date are entitled to receive notice of the European Goldfields Meeting. Every European Goldfields Securityholder of record at the close of business on January 19, 2012 who attends the European Goldfields Meeting, in person or in proxy, will be entitled to vote at the European Goldfields Meeting or any adjournment or postponement thereof, except to the extent that a European Goldfields Shareholder has transferred the ownership of any of his, her or its European Goldfields Shares after January 19, 2012. If the transferee of European Goldfields Shares produces properly endorsed share certificates, or otherwise establishes that he, she or it owns the European Goldfields Shares, and demands, not later than ten days before the European Goldfields Meeting, that his, her or its name be included in the list of European Goldfields Shareholders entitled to vote at the European Goldfields Meeting, the transferee will be entitled to vote those European Goldfields Shares at the European Goldfields Meeting.

As of January 19, 2012, there are 183,932,340 European Goldfields Shares, 5,544,998 European Goldfields Options and 2,058,884 European Goldfields RSUs issued and outstanding (including 500,000 European Goldfields Shares issuable upon the terms of certain European Goldfields RSUs having already been issued as joint equity awards under the European Goldfields JOE Plan). In addition, there are 343,332 European Goldfields RSUs that have been approved for issuance but not awarded due to the Company being in a "black-out" period. It is intended that these European Goldfields RSUs will be issued and granted as the first step in the Plan of Arrangement. In total, 2,402,216 RSUs will automatically vest upon the Effective Date pursuant to the terms of the Plan of Arrangement. The employment contracts of certain directors and senior officers of European Goldfields provide for termination payments pursuant to a change of control of European Goldfields. In addition, certain directors and senior officers of European Goldfields hold European Goldfields RSUs and European Goldfields DPUs. If the Arrangement is completed, the vesting of such European Goldfields RSUs is automatically accelerated and the directors will have the option to elect to receive Eldorado Shares rather than cash to settle the amount owing to them under the European Goldfields DPU Plan. Such accelerated vesting and election to receive Eldorado Shares and any termination payments payable to any directors or senior officers of European Goldfields pursuant to a change of control provision in an employment agreement, taken together, may be considered to be "collateral benefits" received by the applicable directors or senior officers of European Goldfields for the purposes of MI 61-101.

Solicitation of Proxies

The Company's management is using this Circular to solicit proxies from European Goldfields Securityholders for use at the European Goldfields Meeting.

All solicitation costs will be borne by the Company. Proxies will be solicited primarily by mail, but proxies may also be solicited personally, by telephone or through electronic means (including via the internet, e-mail or facsimile) by directors, officers and employees of the Company. The Company has arranged for brokerage houses and other intermediaries, clearing agencies, custodians, nominees and fiduciaries to forward solicitation materials to the beneficial owners of the European Goldfields Shares held of record by such persons, and European Goldfields may reimburse such persons for reasonable fees and disbursements incurred by them in so doing. In addition, European Goldfields has retained Phoenix Advisory Partners ("**Phoenix**") to solicit proxies for an anticipated fee of Cdn\$75,000 plus disbursements and other expenses, in respect of its services. The cost of solicitation will be borne by the Company.

Enquiries

This document is important and requires your immediate attention. For more information and assistance in voting your proxy, please contact Phoenix toll-free at 1-800-243-9416 or by email at inquiries@phoenixadvisorypartners.com. Further information with respect to Phoenix is set forth on the back cover of the Circular.

Appointment and Revocation of Proxies

The persons named in the enclosed forms of proxy are directors of the Company. A European Goldfields Securityholder has the right to appoint a person (who need not be a European Goldfields Securityholder) to represent them at the European Goldfields Meeting other than the persons designated in the forms of proxy provided by the Company to represent the European Goldfields Securityholder at the European Goldfields Meeting. To exercise this right, the European Goldfields Securityholder should strike out the name of the management designees in the applicable enclosed form of proxy and insert the name of the desired representative in the blank space provided in the applicable form of proxy or submit another appropriate form of proxy. In order to be effective, a proxy must be deposited with the Company's registrar and transfer agent, Computershare Investor Services Inc., Attention: Proxy Department, 100 University Avenue, 9th Floor, Toronto, Ontario, Canada, M5J 2Y1 no later than 11:00 a.m. (Toronto time) on February 17, 2012 or two Business Days prior to any adjournment or postponement of the European Goldfields Meeting. A proxy must be in writing and executed by the European Goldfields Securityholder, or such European Goldfields Securityholder's attorney authorized in writing, or if such European Goldfields Securityholder is a corporation, under its corporate seal or by a duly authorized officer or attorney.

A European Goldfields Securityholder who has given a proxy may revoke it by an instrument in writing executed by the European Goldfields Securityholder or by the European Goldfields Securityholder's attorney authorized in writing or, if the European Goldfields Securityholder is a corporation, by a duly authorized officer or attorney of the corporation, and delivered either to the Company c/o Computershare Investor Services Inc., Attention: Proxy Department, 100 University Avenue, 9th Floor, Toronto, Ontario, Canada, M5J 2Y1, at any time up to and including the last Business Day preceding the day of the European Goldfields Meeting or any adjournment or postponement thereof. The time limit for deposit of proxies may be waived by the chair at his discretion. **Only registered European Goldfields Securityholders have the right to revoke a proxy. Non-registered holders who wish to change their**

vote must arrange for their respective intermediaries to revoke the proxy on their behalf in accordance with any requirements of the intermediaries.

If you are a non-registered or beneficial holder of European Goldfields Shares and have received these materials through your broker or through another intermediary, please complete and return the applicable form of proxy provided to you by your broker or other intermediary in accordance with the instructions provided therein.

Proxy Voting

All European Goldfields Securities represented at the European Goldfields Meeting by properly completed and executed proxies will be voted on any ballot that may be called for and, where a choice with respect to any matter to be acted upon has been specified in the proxy, European Goldfields Securities represented by the proxy will be voted in accordance with such instructions. **In the absence of any such instruction, the persons whose names appear on the applicable printed forms of proxy will vote in favour of all the matters set out thereon. If any other business or amendments or variations to matters identified in the Notice of Special Meeting properly come before the European Goldfields Meeting, then discretionary authority is conferred upon the persons appointed in the proxy to vote in the manner they see fit.**

Advice to Beneficial Holders of European Goldfields Shares

The information set forth in this section is of significant importance to many European Goldfields Shareholders, as a substantial number of European Goldfields Shareholders do not hold European Goldfields Shares in their own names. European Goldfields Shareholders who do not hold European Goldfields Shares in their own names ("**Beneficial Shareholders**") should note that only proxies deposited by European Goldfields Shareholders whose names appear on the records of the Company as the registered holders of European Goldfields Shares can be recognized and acted upon at the European Goldfields Meeting. If European Goldfields Shares are listed in an account statement provided to a European Goldfields Shareholder by a broker, then in almost all cases those European Goldfields Shares will not be registered in the European Goldfields Shareholder's name on the records of the Company. Such European Goldfields Shares will more likely be registered under the name of the European Goldfields Shareholder's broker or an agent of that broker. In Canada, the majority of such European Goldfields Shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms). In the United Kingdom, European Goldfields Shares are also held beneficially by European Goldfields Shareholders in uncertificated form through CREST depository interests issued by CREST Depository Limited. Those European Goldfields CDIs represent beneficial interests in European Goldfields Shares held by Cede & Co. within CDS as nominee for DTCC and in turn CREST International Nominees Limited who acts as nominee for CREST Depository Limited. European Goldfields Shares held by brokers, agents or nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting European Goldfields Shares for the broker's clients. The directors, senior officers and certain shareholders of European Goldfields do not know for whose benefit the European Goldfields Shares registered in the name of CDS & Co., the CREST Depository Limited nominee or of other brokers, agents and nominees are held. **Therefore, Beneficial Shareholders should ensure that instructions respecting the voting and deposit of their European Goldfields Shares are communicated to the appropriate person.**

Applicable regulatory policy requires intermediaries/brokers in Canada to seek voting instructions from Beneficial Shareholders in advance of European Goldfields Shareholders' meetings. Every

intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their European Goldfields Shares are voted at the European Goldfields Meeting. The form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is similar to the form of proxy provided to registered European Goldfields Shareholders. However, its purpose is limited to instructing the registered European Goldfields Shareholder (the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Investor Communications (“**Broadridge**”). Broadridge typically mails a scannable voting instruction form instead of the form of proxy. The Beneficial Shareholder is asked to complete the voting instruction form and return it to Broadridge by mail or facsimile. Alternatively, the Beneficial Shareholder may call a toll-free number or complete a voting instruction form online to vote the European Goldfields Shares held by the Beneficial Shareholder. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of European Goldfields Shares to be represented at the applicable meeting. **A Beneficial Shareholder receiving a voting instruction form cannot use that voting instruction form to vote European Goldfields Shares directly at the European Goldfields Meeting as the voting instruction form must be returned as directed by Broadridge well in advance of the European Goldfields Meeting in order to have the European Goldfields Shares voted at the European Goldfields Meeting.**

Although a Beneficial Shareholder may not be recognized directly at the European Goldfields Meeting for the purposes of voting European Goldfields Shares registered in the name of his broker (or agent of the broker), a Beneficial Shareholder may attend at the European Goldfields Meeting as proxyholder for the registered European Goldfields Shareholder and vote the European Goldfields Shares in that capacity. Beneficial Shareholders who wish to attend at the European Goldfields Meeting and indirectly vote their European Goldfields Shares as proxyholders for registered European Goldfields Shareholders should enter their own names in the blank spaces on the instruments of proxy provided to them and return the same to their brokers (or the brokers’ agents) in accordance with the instructions provided by such brokers (or agents), well in advance of the European Goldfields Meeting.

Quorum

A quorum for the European Goldfields Meeting shall be the quorum required by European Goldfields’ by-laws, being two individuals present in person, each being a European Goldfields Shareholder entitled to vote thereat or being a duly appointed proxy for an absent European Goldfields Shareholder so entitled, applied *mutatis mutandis* to the vote of the European Goldfields Securityholders, voting together as a single class.

Each European Goldfields Shareholder, European Goldfields Option Holder and European Goldfields RSU Holder is entitled to one vote per European Goldfields Share, European Goldfields Option and European Goldfields RSU, as applicable, held on all matters to come before the European Goldfields Meeting, including the Arrangement Resolution.

Principal Holders of European Goldfields Shares

As at January 19, 2012, the Company has issued and outstanding 183,932,340 fully paid and non-assessable European Goldfields Shares, each carrying the right to one vote. The authorised share capital of the Company is an unlimited number of common shares without par or nominal value and an unlimited number of preferred shares, issuable in series, without par or nominal value, but at the date hereof no preferred shares have been issued. The Company has no other classes of voting securities.

To the knowledge of the directors and officers of the Company, the only person or company who beneficially owns, controls or directs, directly or indirectly, shares carrying 10% or more of the voting rights attached to all outstanding shares of the Company is:

| Name | Number of Common Shares | Percentage of Common Shares Outstanding (as at January 19, 2012) |
|---|-------------------------|--|
| Aktor Construction International Limited, a wholly owned subsidiary of Ellaktor S.A. (ATHEX: ELTEX) | 22,447,246 | 12.2% |

THE ARRANGEMENT

Background to the Arrangement

In July 2008, Eldorado made its first investment in Greece, through the acquisition of the Perama Hill project in North-Eastern Greece. Since that point, European Goldfields and Eldorado have maintained periodic contact, including discussions from time to time about the potential combination of the two businesses, and European Goldfields was aware that over this time Eldorado met with Ellaktor S.A., as a potential business partner in Greece. Aktor Construction International Limited, a wholly owned subsidiary of Ellaktor S.A., is a significant shareholder of European Goldfields and a partner of European Goldfields for the building of gold projects in Greece and South East Europe. During 2008 and in September 2009, representatives of Eldorado visited the assets of European Goldfields in Greece.

At the Denver Gold Show in September 2010, Mr. Paul Wright, President and Chief Executive Officer of Eldorado, met informally with Mr. Martyn Konig, President and Executive Chairman of European Goldfields, to discuss a potential business combination between the two companies. At the same conference, Mr. Konig and other Company executives informally met with senior management of another interested party to also discuss potential business combinations. A mutual confidentiality agreement was later signed with such interested party.

In October 2010, Mr. Wright approached Mr. Konig to explore in more detail the possibility of a transaction between the two companies. The European Goldfields Board established a Special Committee of independent directors at a meeting of the European Goldfields Board held on October 15, 2010 for the purpose of considering possible transactions affecting control of the Company. The Special Committee consisted of all the independent non-executive directors of the Company, being Bruce Burrows, as Chairman, Jeff O'Leary and Alfred Vinton. The Board provided the Special Committee with a mandate to:

- a. supervise and oversee the negotiations of the terms and conditions of any possible transactions affecting control which may be presented to the Company and to supervise the preparation of any related legal agreements or other documentation, in each case, with the benefit of advice from management and the Company's outside advisors and subject to final approval by the European Goldfields Board;

- b. consider and evaluate the terms and conditions of any possible transactions affecting control of European Goldfields and supervise and oversee the negotiations of any such transactions, with the benefit of advice from management and the Company's outside advisors and subject to final approval by the European Goldfields Board; and
- c. report to the European Goldfields Board as to whether or not the Special Committee recommends that the European Goldfields Board approve any such transaction, subject to approval by the European Goldfields Board.

On October 21, 2010, a mutual confidentiality agreement was signed in which Eldorado agreed, among other things, to a standstill provision that expired on June 1, 2011. At the same time, European Goldfields and Eldorado entered into an agreement pursuant to which European Goldfields agreed to deal exclusively with Eldorado respecting a business combination transaction between the companies for a period ending on the earlier of November 1, 2010 and the signing of a definitive agreement respecting such proposed transaction. Eldorado and European Goldfields carried out mutual due diligence on each other at this stage.

Discussions relating to a possible transaction between Eldorado and European Goldfields did not conclude in agreement at that time and the Special Committee was formally adjourned on November 3, 2010.

On July 8, 2011, the Greek government announced its approval of the EIS submitted by the Company's 95%-owned subsidiary, Hellas Gold S.A., for the development of the Company's Skouries and Olympias assets in Greece. Since then, European Goldfields analyzed various alternatives to secure the capital required to bring the Company's development projects, including its Greek assets, into production, including entering into a confidentiality agreement on August 25, 2011 with Qatar Holding, which ultimately culminated in the announcement by the Company of the signing of the Heads of Terms with Qatar Holding with respect to the Qatari Transactions on October 3, 2011. One of the provisions of the binding Heads of Terms was that European Goldfields agreed to deal exclusively with Qatar Holding respecting any financing, any share issuance for the purpose of raising capital, any encumbrance or disposal of its shares in Hellas Gold S.A. or any proposed transaction that might preclude the Qatari Transactions for a period ending on the earlier of March 31, 2012, 24 hours following the disapproval of European Goldfields Shareholders at a meeting called for the purpose of approving the Qatari Transactions and the signing of a definitive agreement respecting such Qatari Transactions.

On October 6, 2011, Mr. Wright contacted Mr. Konig and arranged to meet with Mr. Konig in London. On October 12 and 17, 2011, after the announcement of the Qatari Transactions, Mr. Wright met informally with Mr. Konig at European Goldfields' offices in London to discuss a possible business combination between Eldorado and European Goldfields.

In mid-November 2011, management of European Goldfields became aware that Mr. Wright had been in conversation with at least one of the Company's major shareholders and reconvened the Special Committee to the European Goldfields Board with Alfred Vinton now acting as Chairman. The first meeting of the Special Committee was held on November 18, 2011 during which the Special Committee considered valuation matters, and assessed the relative benefits of proceeding with the Qatari Transactions as compared to a potential transaction with Eldorado.

On December 1, 2011, European Goldfields mailed a circular to its shareholders seeking approval for the Qatari Transactions and this circular was filed on SEDAR.

On December 2, 2011, Eldorado sent a letter to Mr. Konig making a non-binding conditional proposal to European Goldfields where Eldorado would acquire all of the European Goldfields Shares at an exchange ratio of 0.75 of an Eldorado Share for one European Goldfields Share. In the letter Eldorado confirmed that BlackRock Investment Management (UK) Limited, one of the largest institutional shareholders in European Goldfields and Eldorado, had signed a soft lock up agreement supporting an offer.

On December 2, 2011, European Goldfields sent a letter to Eldorado indicating that it had received Eldorado's proposal and would review the proposal internally and with their advisors and respond to Eldorado the following week.

On December 5, 2011, European Goldfields received a letter from the third party that had previously shown interest in a business combination with the Company stating that it remained interested in exploring such a business combination with European Goldfields but did not provide details as to the value of such business combination.

On December 6, 2011, the Special Committee met to consider the offer and, taking advice from its financial advisers, Lazard and BMO Capital Markets, resolved that an offer at a 0.75 exchange ratio was not adequate for European Goldfields Shareholders. Mr. Konig sent a letter to Mr. Wright on that same day formally rejecting the offer. On the same day, there was public media speculation that a bid might be forthcoming from Eldorado resulting in a 22% increase in European Goldfields' share price. As a result, the TSX halted trading in the European Goldfields Shares. In response, European Goldfields issued a statement informing the market that preliminary and indicative approaches had been received but that no assurances could be made that any transaction would result. Trading resumed later that day.

On December 11, 2011 Mr. Konig and Mr. Wright had informal discussions where Mr. Wright indicated that he would be willing to consider an increase to the proposed share exchange ratio. The Special Committee met on December 12, 2011 to consider this and concluded, particularly in the context of the Qatari Transactions, that it was essential that value for European Goldfields Shareholders was maximized. After further conversations between Mr. Konig and Mr. Wright, on December 13, 2011 Eldorado delivered a letter to the European Goldfields Board making a non-binding conditional proposal for an all-share transaction between Eldorado and European Goldfields with an exchange ratio of 0.85 of an Eldorado Share for one European Goldfields Share. The Special Committee met to consider the revised proposal and, taking advice from its financial advisers, Lazard and BMO Capital Markets, recommended that the Company proceed to negotiate a transaction with Eldorado on this basis. Later that day, Mr. Konig sent the Eldorado Board a letter confirming that the Special Committee recommended proceeding to negotiate a transaction with Eldorado at an exchange ratio of 0.85 of an Eldorado Share for one European Goldfields Share, subject to execution of an exclusivity agreement and negotiation of the Arrangement Agreement and related transaction documentation including certain voting support agreements.

In order to enable the parties to negotiate the final Arrangement Agreement, European Goldfields and Eldorado entered into a new exclusivity agreement on December 15, 2011 that granted exclusivity between the parties until Monday, December 19, 2011.

On December 16, 2011, a mutual due diligence conference call took place between Eldorado and European Goldfields. The call was attended by senior management from European Goldfields and Eldorado, Lazard, BMO Capital Markets, Stikeman Elliott LLP, Merrill Lynch Canada Inc., GMP Securities L.P. and Borden Ladner Gervais LLP.

The management and legal teams of both parties then proceeded to negotiate and settle the terms of the Arrangement Agreement until the morning of December 18, 2011. During this time, representatives of Eldorado's and European Goldfields' management and financial advisors were also in frequent contact.

In the afternoon on Sunday, December 18, 2011, the Special Committee met to consider the final draft Arrangement Agreement and all of the final terms of the Arrangement. During the meeting, the Special Committee received separate fairness opinions from Lazard and BMO Capital Markets each concluding that the Consideration was fair, from a financial point of view, to European Goldfields Shareholders. After careful deliberation the Special Committee unanimously passed a resolution recommending that the European Goldfields Board approve the Arrangement and recommend to European Goldfields Shareholders that they vote in favour of the Arrangement. Immediately following this meeting, a meeting of the full European Goldfields Board was convened, and after due consideration of the Special Committee recommendation, the European Goldfields Board unanimously passed a resolution approving the Arrangement, authorizing the Company to enter into the Arrangement Agreement and recommending that European Goldfields Shareholders vote in favour of the Arrangement.

Following the European Goldfields Board meeting, execution copies of the Arrangement Agreement, European Goldfields Voting Agreements, Eldorado Voting Agreements and ancillary documents were finalized. The Arrangement Agreement was then executed and delivered and the terms of the transaction were announced in separate press releases by Eldorado and European Goldfields at approximately 2:35 p.m. (PST) on Sunday, December 19, 2011 prior to the opening of trading on the AIM on Monday, December 19, 2011. European Goldfields and Eldorado held separate conference calls and audio webcasts on Monday December 19, 2011 at 8:00 a.m. (GMT) and at 7:00 a.m. (PST), respectively, to discuss the Arrangement.

The European Goldfields Voting Agreements and the Eldorado Voting Agreements were executed and delivered on or prior to the close of business in Vancouver on December 19, 2011.

On December 22, 2011, the special meeting of European Goldfields Shareholders to approve the Qatari Transactions was adjourned until the later of (i) the conclusion of the later of the European Goldfields Meeting and the Eldorado Meeting, (ii) at least ten days following the Effective Date if the Arrangement is approved by the European Goldfields Shareholders and the Eldorado Resolution is approved by the Eldorado Shareholders, or (iii) such other date as the Parties may agree in writing. The Arrangement Agreement provides that European Goldfields may continue to pursue the Qatari Transactions and all matters related thereto, provided that European Goldfields shall not have any obligations or liabilities in connection with the Qatari Transactions or any matters related thereto that survive completion of the Arrangement should the Arrangement be approved (other than payment of the Qatari Break Fee and the Heads of Terms). Should the Arrangement not be approved, European Goldfields intends to pursue the Qatari Transactions, however, in such circumstances there is no guarantee that the Qatari Transactions will be completed.

Recommendation of the Special Committee

The European Goldfields Board established the Special Committee to oversee and supervise the process surrounding any potential transactions and, among other things, review and consider the Arrangement. The Company retained BMO Capital Markets and Lazard to act as financial advisors to European Goldfields and to provide the BMO Capital Markets Fairness Opinion and the Lazard Fairness Opinion, respectively, to European Goldfields and the Special Committee. Each of BMO Capital Markets and Lazard have given an opinion to the effect that, as of the date thereof and subject to the assumptions,

limitations and qualifications contained therein, the Consideration to be received by European Goldfields Shareholders pursuant to the Arrangement is fair, from a financial point of view, to European Goldfields Shareholders. The Special Committee, having taken into account such opinions of BMO Capital Markets and Lazard and such other matters as it considered relevant, unanimously determined that the Consideration to be received pursuant to the Arrangement is fair to European Goldfields Securityholders and that the Arrangement is in the best interests of European Goldfields. Accordingly, the Special Committee unanimously recommended that the European Goldfields Board approve the Arrangement and recommended that the European Goldfields Securityholders vote **FOR** the Arrangement Resolution.

Recommendation of the European Goldfields Board

After careful consideration, the European Goldfields Board has unanimously determined that the Consideration under the Arrangement is fair to European Goldfields Securityholders and that the Arrangement is in the best interests of the Company. **Accordingly, the Board unanimously recommends that European Goldfields Securityholders vote FOR the Arrangement Resolution.**

Reasons for the Arrangement

In the course of their evaluation of the Arrangement, the Special Committee and the European Goldfields Board consulted with the Company's senior management, legal counsel and each of BMO Capital Markets and Lazard, and considered a number of factors including, among others, the following:

- *Premium to European Goldfields Shareholders.* Eldorado has offered European Goldfields Shareholders a premium to the European Goldfields Share price. The Consideration to be received by European Goldfields Shareholders under the Arrangement represents a premium of approximately 48.4% based on both companies' TSX closing share prices on December 5, 2011, the last trading day before the Company announced it had received preliminary approaches; and 56.5% based on both companies' 20-day TSX volume weighted average prices ended on December 5, 2011.
- *Exposure to Eldorado's portfolio of high quality assets.* If the Arrangement is completed, European Goldfields Shareholders would gain exposure to Eldorado's portfolio of low cost currently producing mines and near term development projects.
- *Increased geographic and asset diversification.* If the Arrangement is completed, European Goldfields Shareholders would gain exposure to an expanded global operating footprint and a diversified profile of assets with the addition of near-term development projects and producing mines.
- *Eldorado's track record of development and operational success.* If the Arrangement is completed, European Goldfields Shareholders could expect to benefit from Eldorado's track record of high quality project development and leading mine operatorship since Eldorado has consistently delivered on market expectations for its assets and has a dedicated project development team which can be used to construct and commission European Goldfields' project portfolio.
- *Eldorado's financing capability.* Eldorado has historically been a positive cash flow generator and has significant cash at hand as well as undrawn facilities that could be used to provide financing for the European Goldfields' development assets.

- *Creation of a leading intermediate gold producer.* Completion of the Arrangement would create a company with attributable gold reserves of over 27 million ounces, a growth profile to deliver approximately 1.4 million ounces of gold production by 2014 and a pro forma market capitalization of almost US\$11 billion.
- *Enhanced returns.* If the Arrangement is completed, European Goldfields Shareholders, through ownership of Eldorado Shares, would benefit from Eldorado's gold-linked dividend distribution program.
- *Enhanced market presence.* If the Arrangement is completed, European Goldfields Shareholders would hold shares in a company with significantly greater analyst coverage, investor attention and share liquidity than currently enjoyed by European Goldfields.
- *Value to shareholders.* If the Arrangement is completed, the Combined Company is expected to deliver higher value to European Goldfields Shareholders over a shorter timescale than European Goldfields alone. Completion of the Arrangement would also likely mitigate the potential downside during the construction process of European Goldfields' assets and at the same time provides access to significant upside and most likely a better market rating.
- *Support of existing shareholders.* BlackRock Investment Management (UK) Limited, one of the largest institutional shareholders in the Company, has entered into a soft lock up agreement with Eldorado supporting a transaction between the Parties at an exchange ratio lower than the 0.85 exchange ratio in the Arrangement.
- *Advice from BMO Capital Markets and Lazard.* The receipt by the Special Committee and the European Goldfields Board of the fairness opinions of BMO Capital Markets and Lazard, each dated December 18, 2011, that as of the date thereof and subject to the assumptions, limitations and qualifications contained therein, the Consideration to be received by European Goldfields Shareholders pursuant to the Arrangement is fair, from a financial point of view, to European Goldfields Shareholders. The BMO Capital Markets Fairness Opinion and the Lazard Fairness Opinion are attached as Appendix C to this Circular.
- *The terms of the Arrangement Agreement.* Under the Arrangement Agreement, the European Goldfields Board remains able to respond, in accordance with its fiduciary duties, to unsolicited proposals that are more favourable to European Goldfields Shareholders than the Arrangement.
- *Support agreements.* Certain directors and senior officers of European Goldfields, who in total hold approximately 3.63% of the outstanding European Goldfields Shares as at January 19, 2012, have entered into support agreements with Eldorado pursuant to which they have agreed, among other things, to vote in favour of the Arrangement.
- *Required securityholder and court approvals.* The European Goldfields Board considered the following rights and approvals which protect European Goldfields Securityholders:
 - the Arrangement Resolution must be approved by not less than two-thirds of the votes cast at the European Goldfields Meeting;

- the Arrangement must be approved by the Court, which will consider, among other things, the fairness of the Arrangement to European Goldfields Securityholders; and
- European Goldfields Shareholders have the right to dissent to the Arrangement.

In the course of its deliberations, the Special Committee and the European Goldfields Board also identified and considered a variety of risks (as described in greater detail under “Risk Factors” in this Circular) and potentially negative factors in connection with the Arrangement, including, but not limited to:

- Eldorado Shares issued on Closing may have a market value different than at the time of announcement of the Arrangement.
- The completion of the Arrangement is subject to several conditions that must be satisfied or waived, including, among other things, that European Goldfields Shareholder Approval, European Goldfields Combined Securityholder Approval, Eldorado Shareholder Approval and, if applicable, the Foreign Antitrust Clearance shall have been obtained. There can be no certainty that these conditions will be satisfied or waived.
- The Arrangement Agreement may be terminated by European Goldfields or Eldorado in certain circumstances, in which case the market price for European Goldfields Shares may be adversely affected.
- The issuance of a significant number of Eldorado Shares pursuant to the Arrangement could adversely affect the market price of Eldorado Shares.
- If European Goldfields is required to pay the European Goldfields Termination Fee and an alternative transaction is not completed, European Goldfields’ financial condition may be adversely affected.
- The Combined Company may not realize the full benefits currently anticipated due to challenges associated with integrating the operations, technologies and personnel of European Goldfields and Eldorado and due to the legislative, political, social or economic developments in the jurisdictions in which the Parties carry on business.
- The Combined Company may not meet key production or cost estimates.
- The cash flow from operations of the Combined Company may be affected by a change in the production outlook.
- If the Arrangement is not completed for any reason, it may not be possible for the Company to secure alternative funding for its project development either as a result of pursuing the Qatari Transactions or from other sources.

See “The Arrangement – Opinions of BMO Capital Markets and Lazard” and the financial statements of Eldorado incorporated by reference into this Circular.

The European Goldfields Board's reasons for recommending the Arrangement include certain assumptions relating to forward-looking information, and such information and assumptions are subject to various risks. See "Cautionary Statement Regarding Forward-Looking Statements" and "Risk Factors" in this Circular.

The foregoing summary of the information and factors considered by the Special Committee and the European Goldfields Board is not intended to be exhaustive. In view of the variety of factors and the amount of information considered in connection with its evaluation of the Arrangement, the Special Committee and the European Goldfields Board did not find it practical to, and did not, quantify or otherwise attempt to assign any relative weight to each specific factor considered in reaching its conclusion and recommendation. The Special Committee's and the European Goldfields Board's recommendation was made after considering all of the above-noted factors and in light of the Special Committee's and the European Goldfields Board's knowledge of the business, financial condition and prospects of the Company, and was also based on the advice of financial advisors and legal advisors to the European Goldfields Board. In addition, individual members of the Special Committee and the European Goldfields Board may have assigned different weights to different factors.

Voting Agreements

Certain directors and senior officers of the Company have entered into the Eldorado Voting Agreements with Eldorado pursuant to which they have agreed, subject to the terms and conditions of the Eldorado Voting Agreements, among other things:

- (a) to vote any European Goldfields Securities held by them, or over which they have control or direction, as at the date of the European Goldfields Meeting, in favour of the Arrangement Resolution and in favour of any adjournment of a meeting of European Goldfields Shareholders to be held with respect to the Qatari Transactions;
- (b) not to, directly or indirectly, solicit or encourage any Acquisition Proposal;
- (c) not to dispose of any European Goldfields Securities held by them without Eldorado's prior written consent except in the limited circumstances provided in the Eldorado Voting Agreements; and
- (d) not to exercise any Dissent Rights in respect of the Arrangement, waive any rights of appraisal or rights of dissent from the Arrangement and not participate in any class action with respect to the Eldorado Voting Agreements, the Arrangement Agreement or the consummation of the Arrangement.

Their obligations under the Eldorado Voting Agreements will terminate upon the earliest to occur of: (i) the Effective Time; (ii) the termination of the Eldorado Voting Agreements in accordance with their terms; or (iii) the termination of the Arrangement Agreement in accordance with its terms. As at January 19, 2012, the directors and senior officers of European Goldfields who entered into Eldorado Voting Agreements, held, in the aggregate, approximately 3.63% of the outstanding European Goldfields Shares.

Certain directors and senior officers of Eldorado have entered into the European Goldfields Agreements with European Goldfields pursuant to which they have agreed, subject to the terms and conditions of the European Goldfields Voting Agreements, among other things:

- (a) to vote any Eldorado Securities held by them, or over which they have control or direction, as at the date of the Eldorado Meeting, in favour of the Eldorado Resolution;
- (b) not to, directly or indirectly, solicit or encourage any Acquisition Proposal; and
- (c) not to dispose of any Eldorado securities held by them without European Goldfields' prior written consent except in the limited circumstances provided in the European Goldfields Voting Agreements.

Their obligations under the European Goldfields Voting Agreements will terminate upon the earliest to occur of: (i) the Effective Time; (ii) the termination of the European Goldfields Voting Agreements in accordance with their terms; or (iii) the termination of the Arrangement Agreement in accordance with its terms. As at January 19, 2012, the directors and senior officers of Eldorado who entered into European Goldfields Voting Agreements, held, in the aggregate, approximately 0.11% of the outstanding Eldorado Shares on a non-diluted basis.

The Arrangement

The purpose of the Arrangement is to effect a combination between European Goldfields and Eldorado. Upon completion of the Arrangement, Eldorado will acquire all of the issued and outstanding European Goldfields Shares, transfer the European Goldfields Shares to Eldorado Holdco and European Goldfields will amalgamate with Eldorado Holdco to form Amalco. Amalco will be a wholly-owned subsidiary of Eldorado. As a result of the Arrangement, each European Goldfields Shareholder (other than a Dissenting Shareholder and Eldorado) will receive 0.85 of an Eldorado Share and Cdn\$0.0001 in cash for each European Goldfields Share. The Arrangement is to be carried out pursuant to the Arrangement Agreement and the Plan of Arrangement.

Upon consummation of the Arrangement, each of the following transactions, among others, will occur in the following order:

- 343,332 European Goldfields RSUs shall be granted pursuant to the European Goldfields RSU Plan and 525,000 European Goldfields DPUs shall be granted pursuant to the European Goldfields DPU Plan to those individuals identified in a resolution of the European Goldfields Board dated prior to the Effective Date;
- the Effective Date shall be deemed to be the vesting date for all of the then issued and outstanding European Goldfields RSUs, and European Goldfields shall allot and issue to each holder of a European Goldfields RSU such number of European Goldfields Shares as are due to such holder under the terms of the European Goldfields RSU Plan (less any amounts withheld pursuant to the Plan of Arrangement) and thereafter the European Goldfields RSU Plan will terminate and none of the former holders of European Goldfields RSUs, European Goldfields, Eldorado or any of their respective successors or assigns shall have any rights, liabilities or obligations in respect of the European Goldfields RSU Plan;
- each European Goldfields Share held by a Dissenting Shareholder in respect of which the European Goldfields Shareholder has validly exercised his, her or its Dissent Right shall be directly transferred and assigned by such Dissenting Shareholder to Eldorado (free and clear of any liens, charges and encumbrances of any nature whatsoever);

- each European Goldfields Share (other than any European Goldfields Shares held by Eldorado and any Dissenting Shareholder) shall be deemed to be transferred to Eldorado (free and clear of any liens, charges and encumbrances of any nature whatsoever) in exchange for the Consideration;
- each European Goldfields Option, which is outstanding and has not been duly exercised prior to the Effective Date, shall be exchanged for an Eldorado Replacement Option to purchase from Eldorado the number of Eldorado Shares (rounded down to the nearest whole share) equal to: (i) the Option Exchange Ratio multiplied by (ii) the number of European Goldfields Shares subject to such European Goldfields Option immediately prior to the Effective Date. Such Eldorado Replacement Option shall provide for an exercise price per Eldorado Share (rounded up to the nearest whole cent) equal to: (x) the exercise price per European Goldfields Share otherwise purchasable pursuant to such European Goldfields Option; divided by (y) the Option Exchange Ratio. All terms and conditions of an Eldorado Replacement Option, including the term to expiry, conditions to and manner of exercising, will be the same as the European Goldfields Option for which it was exchanged, and shall be governed by the terms of the applicable European Goldfields Option Plan and any certificate or option agreement previously evidencing the European Goldfields Option shall thereafter evidence and be deemed to evidence such Eldorado Replacement Option and such Eldorado Replacement Options shall be designed to meet the requirements under Subsection 7(1.4) of the ITA;
- the DPU Payment (as defined in the European Goldfields DPU Plan) for each European Goldfields DPU held by a European Goldfields DPU Holder in respect of which the European Goldfields DPU Election is made on or prior to the Election Deadline, shall be satisfied, on behalf of European Goldfields, on the applicable Separation Date (as defined in the European Goldfields DPU Plan), by the European Goldfields DPU Election Consideration, and after such Separation Date, such European Goldfields DPU Holders or any of their respective successors or assigns shall have not any rights, liabilities or obligations in respect of the European Goldfields DPU Plan;
- from and after the Effective Date, no additional European Goldfields DPUs shall be issued under the European Goldfields DPU Plan (including in connection with the declaration of any dividends);
- with respect to each European Goldfields Share transferred and assigned in accordance with the Plan of Arrangement, (i) the registered holder thereof shall cease to be the registered holder of such European Goldfields Share and the name of such registered holder shall be removed from the register of European Goldfields Shareholders as of the Effective Time; (ii) the registered holder thereof shall be deemed to have executed and delivered all consents, releases, assignments and waivers, statutory or otherwise, required to transfer and assign such European Goldfields Share to Eldorado; and (iii) Eldorado will be the holder of all of the outstanding European Goldfields Shares and the register of European Goldfields Shareholders shall be revised accordingly;
- Eldorado will sell all of the European Goldfields Shares acquired pursuant to the Arrangement to Eldorado Holdco in exchange for 100,000 common shares of Eldorado Holdco;
- the stated capital of the European Goldfields Shares shall be reduced to Cdn\$1.00 without payment or distribution in respect thereof; and

- Eldorado Holdco and European Goldfields shall be amalgamated and continued as one corporation under the YBCA to form Amalco.

No holder shall be entitled to receive any consideration with respect to the deposited European Goldfields Shares other than the certificates representing the Eldorado Shares, the amount of cash to which such European Goldfields Shareholder is entitled to as determined in accordance with the provisions of the Plan of Arrangement or a cash payment in respect of any fractional Eldorado Shares that a European Goldfields Shareholder may have been entitled to, if any, that they are entitled to receive in accordance with the Plan of Arrangement and, for greater certainty, no holder will be entitled to receive any interest, dividends, premium or other payment in connection therewith.

As of January 19, 2012, there are 183,932,340 European Goldfields Shares, 5,544,998 European Goldfields Options and 2,058,884 European Goldfields RSUs issued and outstanding (including 500,000 European Goldfields Shares issuable upon the terms of certain European Goldfields RSUs having already been issued as joint equity awards under the European Goldfields JOE Plan). In addition, there are 343,332 European Goldfields RSUs that have been approved for issuance but not awarded due to the Company being in a "black-out" period. It is intended that these European Goldfields RSUs will be granted as the first step in the Plan of Arrangement. In total, 2,402,216 RSUs will automatically vest upon the Effective Date pursuant to the terms of the Plan of Arrangement.

As of January 19, 2012, 1,936,385 European Goldfields DPUs have been granted and in addition a further 525,000 European Goldfields DPUs were approved in December 2011 but not yet granted under the European Goldfields DPU Plan due to the fact that the Company has been in a "black-out" period since approval. It is intended that such European Goldfields DPUs approved but not yet granted will be granted as the first step in the Plan of Arrangement. In total, 2,461,385 European Goldfields DPUs will be subject to the Plan of Arrangement.

As of January 19, 2012, assuming that: (i) all of the European Goldfields Shares outstanding are acquired upon completion of the Arrangement, (ii) all of the European Goldfields Shares issuable, pursuant to the Plan of Arrangement, to holders of European Goldfields RSUs outstanding are acquired upon completion of the Arrangement, (iii) holders of "in-the-money" European Goldfields Options elect to exercise their European Goldfields Options prior to the Effective Time and the European Goldfields Shares issuable are acquired pursuant to the Arrangement and the remaining holders of European Goldfields Options outstanding elect to receive Replacement Options rather than exercise their European Goldfields Options prior to the Effective Time, and (iv) all holders of European Goldfields DPUs outstanding make the European Goldfields DPU Election, Eldorado would issue an aggregate of approximately 163,220,632 Eldorado Shares in connection with the Arrangement. The maximum number of Eldorado Shares that could be issued pursuant to the Arrangement is 164,764,798, which number includes, for greater certainty, all of the Eldorado Shares that could be issued in the event that all of the European Goldfields Options outstanding are exercised to receive European Goldfields Shares prior to the Effective Date.

Following the completion of the Arrangement, European Goldfields Securityholders will hold approximately 23% of the then outstanding Eldorado Shares, on a fully diluted basis. There can be no assurance that Eldorado will not issue additional Eldorado Shares or securities convertible into Eldorado Shares prior to the completion of the Arrangement and as a result the ownership interest in Eldorado held by the former European Goldfields Shareholders could be diluted.

See the Plan of Arrangement attached as Appendix B to this Circular for additional information.

Stock Exchange Listings

The European Goldfields Shares are currently listed on the TSX and AIM under the symbol “EGU”. If permitted by applicable laws, Eldorado intends to delist the European Goldfields Shares from the TSX and AIM as soon as practicable following the Effective Date and to apply for a decision for European Goldfields to cease to be a reporting issuer under the securities laws of each jurisdiction of Canada in which it is a reporting issuer.

The Eldorado Shares are listed on the TSX and the NYSE and are traded as CDIs on the ASX. The obligation of Eldorado and European Goldfields to complete the Arrangement is subject to, among other things, the TSX and NYSE approving the listing of the Consideration Shares.

Opinions of BMO Capital Markets and Lazard

BMO Capital Markets Fairness Opinion and Lazard Fairness Opinion

European Goldfields retained BMO Capital Markets and Lazard to address the fairness, from a financial point of view, of the Consideration to be received by European Goldfields Shareholders pursuant to the Arrangement. In connection with this mandate, BMO Capital Markets and Lazard each provided an opinion to the European Goldfields Board and the Special Committee that, as at the date of such opinions and subject to the assumptions, limitations and qualifications stated in such opinions, the Consideration to be received by the European Goldfields Shareholders pursuant to the Arrangement is fair, from a financial point of view, to the European Goldfields Shareholders. The full text of the BMO Capital Markets Fairness Opinion and the Lazard Fairness Opinion, setting out the assumptions made, matters considered and limitations and qualifications on the review undertaken in connection therewith, are attached as Appendix C to this Circular. The summary of the BMO Capital Markets Fairness Opinion and the Lazard Fairness Opinion contained in this Circular is qualified in its entirety by reference to the full text of such opinions.

The BMO Capital Markets Fairness Opinion and the Lazard Fairness Opinion are not recommendations to any European Goldfields Shareholder as to how to vote or act on any matter relating to the Arrangement. The Special Committee and the European Goldfields Board urge European Goldfields Shareholders to read the BMO Capital Markets Fairness Opinion and the Lazard Fairness Opinion carefully and in its entirety.

Under its engagement letters with BMO Capital Markets and Lazard, respectively, European Goldfields has agreed to pay a fee to BMO Capital Markets and Lazard for their services as financial advisors, including a fee for the delivery of the BMO Capital Markets Fairness Opinion and the Lazard Fairness Opinion. European Goldfields has also agreed to indemnify BMO Capital Markets and Lazard against certain liabilities in connection with their respective engagements.

See “The Arrangement – Opinions of BMO Capital Markets and Lazard” in this Circular and Appendix C.

The European Goldfields Board and the Special Committee each unanimously concurred with the views of BMO Capital Markets and Lazard and such views were an important consideration in the European Goldfields Board’s and the Special Committee’s decision to proceed with the Arrangement.

BMO Capital Markets and Lazard provided their opinions for the information and assistance of the Special Committee and the European Goldfields Board in connection with their consideration of the Arrangement. The BMO Capital Markets Fairness Opinion and the Lazard Fairness Opinion address only the fairness, from a financial point of view, of the Consideration to be received by the European Goldfields Shareholders, and are for the information of the Special Committee and the European Goldfields Board in connection with their consideration of the proposed Arrangement only. In providing their opinions, BMO Capital Markets and Lazard have relied upon, and assumed the completeness, accuracy and fair representation of all financial information, forecasts and other information, data, advice, opinions and representations obtained by them from public sources or provided by or on behalf of the Company. The terms of the Arrangement were determined through negotiations between the Company and Eldorado and were not determined by BMO Capital Markets or Lazard. The BMO Capital Markets Fairness Opinion and the Lazard Fairness Opinion do not address the relative merits of the Arrangement as compared to any other business strategies or transactions that might be available to European Goldfields, or the underlying decision of the Special Committee and the European Goldfields Board to recommend or effect the Arrangement.

Shareholder and Court Approvals

Shareholder Approval

At least two-thirds of the votes cast on the Arrangement Resolution by European Goldfields Shareholders at the European Goldfields Meeting and at least two-thirds of the votes cast on the Arrangement Resolution by European Goldfields Securityholders (voting as a single class) at the European Goldfields Meeting, must be voted **FOR** the Arrangement Resolution in order for it to be approved.

Court Approval of the Arrangement

The YBCA requires that the Court approve the Arrangement.

On January 23, 2012, the Company obtained the Interim Order providing for the calling and holding of the European Goldfields Meeting and other procedural matters and filed a Notice of Hearing of Petition for the Final Order to approve the Arrangement. Copies of the Interim Order and the Notice of Application are attached as Appendix D and E, respectively, to this Circular.

The Court hearing in respect of the Final Order is expected to take place at 1:00 p.m. (Whitehorse time), on February 22, 2012, or as soon thereafter as counsel for European Goldfields may be heard, at the Courthouse, 2134 2nd Avenue, Whitehorse, Yukon Territory, subject to the approval of the Arrangement Resolution at the European Goldfields Meeting. At the hearing, the Court will consider, among other things, the fairness of the terms and conditions of the Arrangement and the rights and interests of every person affected. The Court may approve the Arrangement in any manner the Court may direct, subject to compliance with such terms and conditions, if any, as the Court deems fit. The Court will be advised at the hearing of the application for the Final Order that if the terms and conditions of the Arrangement are approved by the Court, the Eldorado Shares issued pursuant to the Arrangement will not be registered under the U.S. Securities Act pursuant to the Section 3(a)(10) Exemption.

Under the terms of the Interim Order, each European Goldfields Securityholder, as well as persons who have been served with notice of the application for the Final Order, will have the right to appear and make submissions at the application for the Final Order. Any person desiring to appear at the hearing of the application for the Final Order is required to indicate his, her or its intention to appear by filing with

the Court and serving the Company at the address set out below, on or before 11:00 a.m. (Whitehorse time) on February 22, 2012, an appearance (“**Appearance**”) and a Response to Petition (“**Response**”), including his, her or its address for service, together with all materials on which he, she or it intends to rely at the application. The Appearance, the Response and supporting materials must be delivered, within the time specified, to the Company at the following address:

c/o Macdonald & Company
200 - 204 Lambert Street
Whitehorse, Yukon Territory Y1A 3T2
Attention: Gareth C. Howells
Fax: 867-667-7600
Email: ghowells@anton.yk.ca

European Goldfields Securityholders who wish to participate in or be represented at the Court hearing for the Final Order should consult their legal advisors as to the necessary requirements.

Arrangement Mechanics

Exchange of European Goldfields Share Certificates

At or prior to the Effective Time, Eldorado shall deposit with the Depository, for the benefit of the European Goldfields Shareholders, a certificate or certificates representing the aggregate number of Eldorado Shares which the European Goldfields Shareholders are entitled to receive under the Plan of Arrangement (calculated without reference to whether any European Goldfields Shareholders have exercised or may exercise Dissent Rights). Eldorado will also deposit with the Depository that amount of cash to enable the Depository to make requisite payments in respect of the cash portion of the Consideration and fractional Eldorado Shares. Following the later of the Effective Date and the surrender to the Depository for cancellation of a certificate which immediately prior to the Effective Time represented outstanding European Goldfields Shares that were exchanged under the Arrangement, together with a duly completed and executed Letter of Transmittal and such additional documents and instruments as the Depository may reasonably require, the European Goldfields Shareholder of such surrendered certificate will be entitled to receive in exchange therefor, the Eldorado Shares and the appropriate amount of cash which such European Goldfields Shareholder has the right to receive under the Arrangement for such European Goldfields Shares, less any amounts withheld under applicable tax laws and any certificate so surrendered will forthwith be cancelled.

As soon as practicable following the later of the Effective Date and the date of deposit by a former European Goldfields Shareholder with the Depository of a duly completed Letter of Transmittal and the certificates representing the European Goldfields Shares or other documentation as provided in the Letter of Transmittal, Eldorado shall cause the Depository to:

- (a) forward or cause to be forwarded by first class mail (postage prepaid) to the holder at the address specified in the Letter of Transmittal;
- (b) if requested by the holder in the Letter of Transmittal, make available at the offices of the Depository specified in the Letter of Transmittal for pick-up by the holder; or
- (c) if the Letter of Transmittal neither specifies an address as described in (a) above nor contains a request as described in (b) above, forward or cause to be forwarded by mail

(postage prepaid) to the holder at the address of such holder as shown on the share register maintained by the Company as at the Effective Time,

certificates representing the number of Eldorado Shares, if any, issuable to such European Goldfields Shareholder as determined in accordance with the provisions of the Plan of Arrangement and cheques representing the amount of cash to which such European Goldfields Shareholder is entitled to as determined in accordance with the provisions of the Plan of Arrangement, subject to any withholding obligation under applicable tax laws.

No holder shall be entitled to receive any consideration with respect to the deposited European Goldfields Shares other than the certificates representing the Eldorado Shares, the amount of cash to which such European Goldfields Shareholder is entitled to as determined in accordance with the provisions of the Plan of Arrangement or a cash payment in respect of any fractional Eldorado Shares that a European Goldfields Shareholder may have been entitled to, if any, that they are entitled to receive in accordance with the Plan of Arrangement and, for greater certainty, no holder will be entitled to receive any interest, dividends, premium or other payment in connection therewith.

If you are a beneficial holder of European Goldfields Shares, please contact your broker or other intermediary to instruct them to deposit your shares to the Arrangement. Your broker should do so prior to the Meeting Date in order to receive your entitlement as soon as possible after closing of the Arrangement.

Please also note that, if you are a registered holder of European Goldfields Shares, in order to receive the Consideration for your European Goldfields Shares, you must submit the accompanying Letter of Transmittal, together with your share certificates representing your European Goldfields Shares to the Depository, Kingsdale Shareholder Services Inc. Please refer to the applicable proxy of European Goldfields and the Letter of Transmittal for instructions in that regard.

If you have any questions relating to the deposit of your European Goldfields Shares to the Arrangement, please contact Kingsdale Shareholder Services Inc. by telephone at 1-888-518-6812 toll free in North America or (416) 867-2272 outside of North America or by email at contactus@kingsdaleshareholder.com.

European Goldfields CDIs

The Eldorado Shares and any cash consideration that European Goldfields CDI Holders are entitled to receive as determined in accordance with the Plan of Arrangement is intended to ultimately be delivered to European Goldfields CDI Holders in CREST (through Cede & Co., as the registered holder of the relevant European Goldfields Shares) by means of Eldorado CDIs. In order to facilitate the holding and settlement of the Eldorado Shares in the United Kingdom (“UK”), Eldorado has applied for Eldorado Shares to be capable of being delivered, held and settled through CREST as depository interests.

CREST is the paperless system allowing securities to be held in and transferred from one person’s CREST account to another without the need to use share certificates or written instruments of transfer. Trades in Eldorado Shares, being Canadian securities, are incapable of being settled within CREST.

Following the Effective Date, Eldorado will accordingly deliver the applicable number of Eldorado Shares, in the form of Eldorado CDIs, and any cash consideration to which European Goldfields CDI Holders are entitled to under the Arrangement and arrange to have such Consideration credited to each European Goldfields CDI Holder’s CREST member account.

The Eldorado CDIs will represent entitlements to the underlying Eldorado Shares. The registered holder of such Eldorado Shares will be Cede & Co., as nominee for DTCC and in turn CREST International Nominees (who will hold the Eldorado Shares on trust, for the relevant European Goldfields Shareholders, for the purposes of the CREST Depository Interest Service). On receipt of Eldorado CDIs, European Goldfields Shareholders will not be the registered holders of the underlying Eldorado Shares; however, ownership of Eldorado CDIs will represent entitlement to the beneficial ownership of such Eldorado Shares and will bear the same ISIN.

CREST only accepts settlement of cash in Pounds Sterling, Euros or U.S. Dollars. The amount of any cash consideration that a European Goldfields CDI Holder is entitled to receive under the Arrangement as determined in accordance with the Plan of Arrangement will be converted into U.S. dollars at the then current rates of exchange on the Effective Date.

Following the issue of the Eldorado CDIs, holders of the Eldorado CDIs will, at their option, be able to effect the cancellation of their Eldorado CDIs in CREST in order to hold the underlying Eldorado Shares directly (on sending an instruction to CREST to that effect) and will be entitled to arrange for the transfer of such Eldorado Shares (as represented by their holding of Eldorado CDIs) into a shareholding account with a depository financial institution which is a participant of DTCC. Accordingly, such holders must specify a shareholding account to which such shares are to be transferred. Certain transfer fees will be payable by a holder of Eldorado CDIs who makes such a transfer. In addition, a custody fee, as determined by CREST from time to time, will be charged to each holder of Eldorado CDIs. Eldorado will not be responsible for any such fees.

Letters of Transmittal

Included with this Circular is a Letter of Transmittal. In order to receive the Consideration for their European Goldfields Shares, Registered Shareholders must complete and sign the Letter of Transmittal and deliver it, together with certificates representing their European Goldfields Shares and the other required documents, to the Depository in accordance with the instructions contained in the Letter of Transmittal.

The Letter of Transmittal contains procedural information relating to the Arrangement and should be reviewed carefully. The deposit of European Goldfields Shares pursuant to the procedures in the Letter of Transmittal will constitute a binding agreement among the depositing European Goldfields Shareholder and Eldorado upon the terms and subject to the conditions of the Plan of Arrangement.

Copies of the Letters of Transmittal may be obtained by contacting the Depository. The Letter of Transmittal will also be available on SEDAR at www.sedar.com under the Company's profile.

The Company and Eldorado reserve the right to waive or not to waive any and all errors or other deficiencies in any Letter of Transmittal or other document and any such waiver or non-waiver will be binding upon the affected European Goldfields Shareholder. The granting of a waiver to one or more European Goldfields Shareholders does not constitute a waiver for any other European Goldfields Shareholder. The Company and Eldorado reserve the right to demand strict compliance with the terms of the Letter of Transmittal and the Arrangement. The method used to deliver the Letter of Transmittal and any accompanying certificates representing European Goldfields Shares is at the option and risk of the holder surrendering them, and delivery will be deemed effective only when such documents are actually received by the Depository. The Company recommends that the necessary documentation be hand

delivered to the Depositary, and a receipt obtained therefor; otherwise the use of registered mail with return receipt requested, and with proper insurance obtained, is recommended.

European Goldfields Shareholders whose European Goldfields Shares are registered in the name of a broker, investment dealer, bank, trust company, trustee or other nominee should contact that nominee for assistance in depositing their European Goldfields Shares and should follow the instructions of such nominee in order to deposit their European Goldfields Shares.

Lost Certificates

If any certificate representing European Goldfields Shares has been lost, stolen or destroyed, the registered holder of such European Goldfields Shares should complete the Letter of Transmittal as fully as possible and forward it, together with an affidavit regarding the loss, theft or destruction, to the Depositary. The Depositary will assist in making arrangements for the necessary affidavit (which will include a bonding requirement) for payment of the Consideration in accordance with the Arrangement. Further details are set out in the Letter of Transmittal. As a condition precedent to the delivery of the Consideration in exchange for European Goldfields Shares represented by certificates which have been lost, stolen or destroyed, the registered holder thereof will be required to indemnify the Company, Eldorado and the Depositary against any claim that may be made against the Company or Eldorado with respect to such lost, stolen or destroyed certificate.

Cancellation of Rights after Six Years

Any certificate which immediately before the Effective Date represented European Goldfields Shares and which has not been duly surrendered, with all other documents required by the Depositary, on or before the sixth anniversary of the Effective Date, will cease to represent any claim against or interest of any kind or nature in the Company, Eldorado or the Depositary. On such date, all Eldorado Shares to which the former holder of such certificates was entitled shall be deemed to have been surrendered to Eldorado. **Accordingly, persons who deposit certificates for European Goldfields Shares after the sixth anniversary of the Effective Date will not receive Eldorado Shares, will not own any interest in the Company, Eldorado or the Combined Company, and will not be paid any cash or other compensation.**

Procedure for Exchange of European Goldfields Options

From and after the Effective Date, each option certificate representing European Goldfields Options outstanding immediately prior to the Effective Date will thereafter represent the Eldorado Replacement Options granted in exchange for such European Goldfields Options upon completion of the Arrangement. Each Eldorado Replacement Option will entitle the holder thereof to purchase from Eldorado the number of Eldorado Shares equal to the Option Exchange Ratio multiplied by the number of European Goldfields Shares subject to such European Goldfields Options held immediately prior to the Effective Time. Such Eldorado Replacement Option shall provide for an exercise price per Eldorado Share (rounded up to the nearest whole cent) equal to: (x) the exercise price per European Goldfields Share otherwise purchasable pursuant to such European Goldfields Option; divided by (y) the Option Exchange Ratio. All terms and conditions of an Eldorado Replacement Option, including the term to expiry, conditions to and manner of exercising, will be the same as the European Goldfields Option for which it was exchanged, and shall be governed by the terms of the applicable European Goldfields Option Plan and any certificate or option agreement previously evidencing the European Goldfields Option shall thereafter evidence and be deemed to evidence such Eldorado Replacement Option and such

Eldorado Replacement Options shall be designed to meet the requirements under Subsection 7(1.4) of the ITA.

Fractional Shares

No fractional Eldorado Shares will be issued to European Goldfields Securityholders in exchange for European Goldfields Shares. If the aggregate number of Eldorado Shares that a European Goldfields Securityholder is entitled to receive upon completion of the Arrangement is not a whole number, the number of Eldorado Shares to be issued to European Goldfields Securityholders shall be rounded down to the nearest whole Eldorado Share and the European Goldfields Securityholder will receive a cash payment, in Canadian dollars (rounded down to the nearest cent), determined on the basis of an amount equal to the volume-weighted trading price on the TSX of the Eldorado Shares over the five Business Days ending one business day before the Effective Date, multiplied by the fractional share amount.

The foregoing information is a summary only. For further details of procedures, see the Plan of Arrangement attached as Appendix B to this Circular.

Interests of Directors and Officers of European Goldfields in the Arrangement

In considering the recommendation of the European Goldfields Board, European Goldfields Shareholders should be aware that members of the European Goldfields Board and the officers of the Company have interests in the Arrangement or may receive benefits that may differ from, or be in addition to, the interests of European Goldfields Shareholders generally. These interests and benefits are described below.

All benefits received, or to be received, by directors or officers of the Company as a result of the Arrangement are, and will be, solely in connection with their services as directors or employees of the Company or the Combined Company. No benefit has been, or will be, conferred for the purpose of increasing the value of consideration payable to any such person for European Goldfields Shares, nor is it, or will it be, conditional on the person supporting the Arrangement.

The employment contracts of certain directors and senior officers of European Goldfields provide for termination payments pursuant to a change of control of European Goldfields. In addition, certain directors and senior officers of European Goldfields hold European Goldfields RSUs and European Goldfields DPUs. If the Arrangement is completed, the vesting of such European Goldfields RSUs is automatically accelerated and the directors will have the option to elect to receive Eldorado Shares rather than cash to settle the amount owing to them under the European Goldfields DPU Plan. Such accelerated vesting and election to receive Eldorado Shares and any termination payments payable to any directors or senior officers of European Goldfields pursuant to a change of control provision in an employment agreement, taken together, may be considered to be “collateral benefits” received by the applicable directors or senior officers of European Goldfields for the purposes of MI 61-101.

See also “Securities Laws Considerations - Canadian Securities Laws - Collateral Benefits under MI 61-101”.

Shareholdings

As of January 19, 2012, the directors and officers of the Company beneficially owned, directly or indirectly, or exercised control or direction over, in the aggregate 6,789,732 European Goldfields Shares, which represented approximately 3.69% of the total number of outstanding European Goldfields Shares. All European Goldfields Shares held by the directors, officers and other insiders of the Company will be treated identically and in the same manner under the Arrangement as European Goldfields Shares held by any other European Goldfields Shareholders.

The following table sets out the names and positions of the directors and officers of the Company as of January 19, 2012, the number and percentage of European Goldfields Shares, European Goldfields Options, European Goldfields RSUs and European Goldfields DPUs owned or over which control or direction was exercised by each such director or officer of the Company and, where known after reasonable enquiry, by their respective associates or affiliates.

| <u>Name of Director or Officer</u> | <u>Number of European Goldfields Shares Owned</u> | <u>Percentage</u> | <u>Number and Description of Other Securities</u> |
|------------------------------------|---|-------------------|---|
| Bruce Burrows | N/A | N/A | 108,141 European Goldfields DPUs |
| David Cather | 2,000 | 0.001% | 133,333 European Goldfields Options 247,100 European Goldfields RSUs ⁽¹⁾ |
| Dimitris Dimitriadis | 202,842 | 0.110% | 200,000 European Goldfields Options 133,954 European Goldfields RSUs ⁽²⁾ |
| Patrick Forward | 32,750 | 0.018% | 150,000 European Goldfields Options 180,404 European Goldfields RSUs ⁽³⁾ |
| Varshan Gokool | 20,364 ⁽¹⁴⁾ | 0.011% | 112,500 European Goldfields Options 126,996 European Goldfields RSUs ⁽⁴⁾ |
| Martyn Konig | 474,457 | 0.258% | 1,850,000 European Goldfields Options 276,726 European Goldfields RSUs ⁽⁵⁾ 913,590 European Goldfields DPUs ⁽⁶⁾ |
| Dimitrios Koutras | 5,521,387 ⁽¹⁵⁾ | 3.002% | N/A |
| Timothy Morgan-Wynne | 256,689 | 0.14% | 1,466,666 European Goldfields Options 201,890 European Goldfields RSUs ⁽⁷⁾ 600,000 European Goldfields DPUs ⁽⁸⁾ |
| Jeffrey O'Leary | N/A | N/A | 188,983 European Goldfields DPUs |
| Deborah Paxford | 16,009 | 0.009% | 95,834 European Goldfields Options 69,377 European Goldfields RSUs ⁽⁹⁾ |
| Mark Rachovides | 138,898 | 0.076% | 726,666 European Goldfields Options 197,859 European Goldfields RSUs ⁽¹⁰⁾ 562,500 European Goldfields DPUs ⁽¹¹⁾ |
| Steven Sharpe | 18,375 | 0.010% | 141,666 European Goldfields Options 182,629 European Goldfields RSUs ⁽¹²⁾ |

| | | | |
|-------------------|------------------------|--------|--|
| Joel Silberstein | 32,061 | 0.017% | 33,334 European Goldfields Options 114,324 European Goldfields RSUs ⁽¹³⁾ |
| Georgios Sossidis | N/A | N/A | 250,000 European Goldfields Options |
| Alfred Vinton | 73,900 ⁽¹⁶⁾ | 0.040% | 88,171 European Goldfields DPUs |

Notes:

- (1) Includes 66,667 European Goldfields RSUs awarded in December 2011 in the normal course of business but not yet granted due to “black-out” period.
- (2) Includes (i) 17,126 European Goldfields RSUs that vested on December 31, 2011 but in respect of which European Goldfields Shares have not yet been issued and (ii) 33,333 European Goldfields RSUs awarded in December 2011 in the normal course of business but not yet granted, in each case due to “black-out” period.
- (3) Includes (i) 41,050 European Goldfields RSUs that vested on December 31, 2011 but in respect of which European Goldfields Shares have not yet been issued and (ii) 33,333 European Goldfields RSUs awarded in December 2011 in the normal course of business but not yet granted due to “black-out” period.
- (4) Includes (i) 17,413 European Goldfields RSUs that vested on December 31, 2011 and 31,250 European Goldfields RSUs that vested on January 4, 2012 but in respect of which European Goldfields Shares have not yet been issued and (ii) 33,333 European Goldfields RSUs awarded in December 2011 in the normal course of business but not yet granted due to “black-out” period.
- (5) Includes 35,882 European Goldfields RSUs that vested on December 31, 2011 but in respect of which European Goldfields Shares have not yet been issued due to “black-out” period.
- (6) Includes 225,000 European Goldfields DPUs awarded in December 2011 in the normal course of business but not yet granted due to “black-out” period.
- (7) Includes 24,266 European Goldfields RSUs that vested on December 31, 2011 but in respect of which European Goldfields Shares have not yet been issued due to “black-out” period.
- (8) Includes 150,000 European Goldfields DPUs awarded in December 2011 in the normal course of business but not yet granted due to “black-out” period.
- (9) Includes (i) 5,701 European Goldfields RSUs that vested on December 31, 2011 but in respect of which European Goldfields Shares have not yet been issued and (ii) 16,667 European Goldfields RSUs awarded in December 2011 in the normal course of business but not yet granted due to “black-out” period.
- (10) Includes 24,266 European Goldfields RSUs that vested on December 31, 2011 but in respect of which European Goldfields Shares have not yet been issued due to “black-out” period.
- (11) Includes 150,000 European Goldfields DPUs awarded in December 2011 in the normal course of business but not yet granted due to “black-out” period.
- (12) Includes (i) 27,803 European Goldfields RSUs that vested on December 31, 2011, and 37,500 European Goldfields RSUs that vested on January 4, 2012 but in respect of which European Goldfields Shares have not yet been issued and (ii) 50,000 European Goldfields RSUs awarded in December 2011 in the normal course of business but not yet granted due to “black-out” period.
- (13) Includes (i) 38,610 European Goldfields RSUs that vested on December 31, 2011 but in respect of which European Goldfields Shares have not yet been issued and (ii) 33,333 European Goldfields RSUs awarded in December 2011 in the normal course of business but not yet granted due to “black-out” period.
- (14) Includes 5,000 European Goldfields Shares owned by Anisha P. Reddy.
- (15) Owned indirectly through Voziana Holdings Limited.
- (16) Represents 63,900 European Goldfields Shares owned by Bald Peak Ltd. (a company controlled by Anna Vinton), 4,200 European Goldfields Shares owned by Anna Vinton and 5,800 European Goldfields Shares owned by M E Dugan Chapman Trust (of which Anna Vinton is trustee).

THE ARRANGEMENT AGREEMENT

The Arrangement will be carried out pursuant to the Arrangement Agreement and the Plan of Arrangement. The following is a summary of the principal terms of the Arrangement Agreement and Plan of Arrangement. This summary does not purport to be complete and is qualified in its entirety by reference to the Arrangement Agreement, which has been filed by European Goldfields on SEDAR at www.sedar.com, and to the Plan of Arrangement, which is attached as Schedule A to the Arrangement Agreement and appended hereto as Appendix B.

The Arrangement Agreement contains representations and warranties made by European Goldfields and Eldorado. These representations and warranties were made by and to the parties thereto for the purposes of the Arrangement Agreement and are subject to the limitations and qualifications agreed to by the parties in connection with negotiating and entering into the Arrangement Agreement. In addition, these representations and warranties were made as of specified dates, may be subject to a contractual standard of materiality different from what may be viewed as material to European Goldfields Shareholders or may have been used for the purpose of allocating risk between the parties rather than for the purpose of establishing facts. Moreover, information concerning the subject matter of the representations and warranties may have changed since the date of the Arrangement Agreement.

On December 18, 2011, European Goldfields and Eldorado entered into the Arrangement Agreement, pursuant to which the Company and Eldorado agreed that, subject to the terms and conditions set forth in the Arrangement Agreement, Eldorado will acquire all of the issued and outstanding shares of the Company that it does not already own. As a result of the Arrangement, each European Goldfields Shareholder (other than Dissenting Shareholders) will receive 0.85 of an Eldorado Share and Cdn\$0.0001 for each European Goldfields Share held. The terms of the Arrangement Agreement are the result of arm's length negotiation between European Goldfields and Eldorado and their respective advisors.

Representations and Warranties

The Arrangement Agreement contains representations and warranties made by the Company to Eldorado and representations and warranties made by Eldorado to the Company. Those representations and warranties were made solely for the purposes of the Arrangement Agreement and may be subject to important qualifications and limitations agreed to by the parties in connection with negotiating its terms. Moreover, some of the representations and warranties contained in the Arrangement Agreement are subject to a contractual standard of materiality (including a European Goldfields Material Adverse Effect or a Eldorado Material Adverse Effect) that is different from that generally applicable to the public disclosure to European Goldfields Shareholders, or those standards used for the purpose of allocating risk between parties to an agreement. For the foregoing reasons, you should not rely on the representations and warranties contained in the Arrangement Agreement as statements of factual information at the time they were made or otherwise.

The representations and warranties provided by the Company in favour of Eldorado relate to, among other things: (a) the due incorporation, existence, and power and authority of the Company to own its assets and conduct its business; (b) the corporate power and authority of the Company to enter into the Arrangement Agreement and perform its obligations thereunder; (c) the execution and delivery of the Arrangement Agreement, and the performance by it of its obligations thereunder not resulting in a violation, conflict or default under the Company's constating documents; (d) the Company's ownership of its Subsidiaries (e) the Company being in compliance with all Laws in each jurisdiction it operates in; (f) the Company and its Subsidiaries having all authorizations necessary for the ownership, operation, development, maintenance or use of all material assets; (g) the capitalization and listing of the Company; (h) the absence of any shareholder agreements binding the Company; (i) the Company's status under U.S. securities laws; (j) the inapplicability of the Hart-Scott-Rodino Antitrust Improvements Act of 1976 to the Company and its Subsidiaries; (k) the Company's compliance with all filing requirements for public documents; (l) the accuracy of financial statements and the adequacy of internal controls and financial reporting; (m) the absence of undisclosed liabilities; (n) the ownership and good standing of the Properties and Minerals Rights; (o) the Company's proven mineral reserves and resources; (p) timely payment of operational expenses; (q) employment matters; (r) the absence of a European Goldfields Material Adverse Effect; (s) the absence of any claims or proceedings against the Company or any of its Subsidiaries; (t) the timely payment of all taxes; (u) the accuracy of the books and records of the Company; (v) the maintenance of reasonable and prudent insurance policies; (w) the absence of any non-arm's length transactions; (x) the disclosure of the Company's benefit plans; (y) environmental matters; (z) the status of the Romanian EIS in relation to the Certej project; (aa) the absence of any judgment or order restricting the business of the Company or any of its material subsidiaries; (bb) the performance of all obligations under the Company's material contracts; (cc) the Company's relationships with customers, suppliers, distributors and sales representatives; (dd) broker fees; (ee) reporting issuer status and compliance with all requirements of the TSX and AIM; (ff) no property or assets of the Company being subject to expropriation; (hh) compliance with foreign corrupt practices legislation; (ii) no material

disputes between the Company and non-governmental organizations; (jj) the Investment Canada Act; (kk) arrangements with securityholders of Eldorado; and (ll) the Qatari Transactions.

The representations and warranties provided by Eldorado in favour of the Company relate to, among other things: (a) the due incorporation, existence, and power and authority of Eldorado to own its assets and conduct its business; (b) the corporate power and authority of Eldorado to enter into the Arrangement Agreement and perform its obligations thereunder; (c) the execution and delivery of the Arrangement Agreement, and the performance by it of its obligations thereunder not resulting in a violation, conflict or default under Eldorado's constating documents; (d) Eldorado's ownership of its Subsidiaries; (e) Eldorado being in compliance with all Laws in each jurisdiction it operates in; (f) Eldorado and its Subsidiaries obtaining all authorizations necessary for the ownership, operation, development, maintenance or use of all material assets; (g) the capitalization and listing of Eldorado; (h) the absence of any shareholder agreements binding Eldorado; (i) Eldorado's compliance with all filing requirements for public documents; (j) the accuracy of financial statements and the adequacy of internal controls and financial reporting; (k) the absence of undisclosed liabilities; (l) the ownership and good standing of the Eldorado Properties and Eldorado Minerals Rights; (m) Eldorado's proven mineral reserves and resources; (n) timely payment of operational expenses; (o) employment matters; (p) the absence of an Eldorado Material Adverse Effect; (q) the absence of any claims or proceedings against Eldorado or any of its Subsidiaries; (r) the timely payment of all taxes; (s) the accuracy of the books and records of Eldorado; (t) the maintenance of reasonable and prudent insurance policies (u) the absence of any non-arm's length transactions; (v) the disclosure of Eldorado benefit plans; (w) environmental matters; (x) the status of operating permits and EIS in relation to the Eldorado Property and Eldorado Minerals Rights in Turkey; (y) the absence of any judgment or order restricting the business of Eldorado or any of its material subsidiaries; (z) the performance of all obligations under Eldorado's material contracts; (aa) the Company's relationships with customers, suppliers, distributors and sales representatives; (bb) broker's fees; (cc) reporting issuer status; (dd) compliance with all requirements of the TSX, NYSE and ASX; (ee) no property or assets of Eldorado being subject to expropriation; (ff) compliance with foreign corrupt practices legislation; (gg) no material disputes between Eldorado and non-governmental organizations; (hh) control over European Goldfields Shares; and (ii) arrangements with securityholders of the Company.

Conditions Precedent to the Arrangement

Mutual Conditions

The obligations of the parties to complete the Arrangement are subject to the fulfilment of each of the following conditions, each of which may only be waived with the mutual consent of European Goldfields and Eldorado:

- the Arrangement Resolution shall have been approved and adopted by the European Goldfields Shareholders at the European Goldfields Meeting in accordance with the Interim Order;
- the Interim Order and the Final Order shall each have been obtained on terms consistent with the Arrangement Agreement and shall not have been set aside or modified in a manner unacceptable to the Company or Eldorado, acting reasonably, on appeal or otherwise;
- the Eldorado Shareholder Approval at the Eldorado Meeting;

- no Governmental Entity shall have enacted, issued, promulgated, enforced or entered any Law which has the effect of making the Arrangement illegal or otherwise preventing or prohibiting consummation of the Arrangement;
- the Eldorado Shares and Eldorado Replacement Options to be issued pursuant to the Arrangement shall either be: (i) exempt from the registration requirements of the U.S. Securities Act pursuant to Section 3(a)(10) thereof; or (ii) be registered pursuant to an effective registration statement under the U.S. Securities Act, provided that the Company is not permitted to rely on this provision if the Company fails to inform the Court prior to the hearing in respect of the Final Order that Eldorado intends to rely on the exemption from registration afforded by 3(a)(10) of the U.S. Securities Act based on the Court's approval of the Arrangement;
- if applicable, any Foreign Antitrust Clearance shall have been obtained on terms acceptable to each of Eldorado and European Goldfields, acting reasonably; and
- there shall be no suit, action or proceeding by any Governmental Entity or any other Person that has resulted in an imposition of material limitations on the ability of Eldorado to acquire or hold, or exercise full rights of ownership of, any European Goldfields Shares, including the right to vote the European Goldfields Shares to be acquired by it on all matters properly presented to the European Goldfields Shareholders.

See "The Arrangement – Shareholder and Court Approvals".

Additional Conditions in Favour of Eldorado

The obligation of Eldorado to complete the Arrangement is subject to the fulfillment of each of the following additional conditions on or before the Effective Time (each of which is for the exclusive benefit of Eldorado and may be waived by Eldorado):

- all covenants of European Goldfields under the Arrangement Agreement to be performed on or before the Effective Time which have not been waived by Eldorado shall have been duly performed by the Company in all material respects and Eldorado shall have received a certificate of the Company addressed to Eldorado and dated the Effective Date, signed on behalf of the Company by two senior executive officers of the Company (on the Company's behalf and without personal liability), confirming the same as at the Effective Time;
- the representations and warranties of European Goldfields in the Arrangement Agreement shall be true and correct in all respects without regard to any materiality or European Goldfields Material Adverse Effect qualifications contained in them as of the Effective Time, as though made on and as of the Effective Time (except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of that specified date), except where the failure or failures of all such representations and warranties to be so true and correct in all respects would not reasonably be expected to have a European Goldfields Material Adverse Effect, provided however that the representations in respect of interests in Properties and Mineral Rights and in respect of foreign corrupt practices legislation shall be true and correct as of the Effective Time and Eldorado shall have received a certificate of the Company addressed to Eldorado and dated the Effective Date, signed on behalf of the Company by two senior executive officers of the Company (on the Company's behalf and without personal liability), confirming the same as at the Effective Time;

- there shall not have occurred a European Goldfields Material Adverse Effect that has not been publicly disclosed by the Company prior to the date of the Arrangement Agreement or disclosed to Eldorado in writing prior to the date of the Arrangement Agreement, and since the date of the Arrangement Agreement, there shall not have occurred a European Goldfields Material Adverse Effect, and Eldorado shall have received a certificate signed on behalf of the Company (on the Company's behalf and without personal liability) to such effect; and
- holders of no more than 10% of the European Goldfields Shares have exercised Dissent Rights.

Additional Conditions in Favour of European Goldfields

The obligation of European Goldfields to complete the Arrangement is subject to the fulfillment of each of the following additional conditions on or before the Effective Time (each of which is for the exclusive benefit of European Goldfields and may be waived by European Goldfields):

- all covenants of Eldorado under the Arrangement Agreement to be performed on or before the Effective Time which have not been waived by the Company shall have been duly performed by Eldorado in all material respects and the Company shall have received a certificate of Eldorado, addressed to the Company and dated the Effective Date, signed on behalf of Eldorado by two of its senior executive officers (on Eldorado's behalf and without personal liability), confirming the same as of the Effective Date;
- the representations and warranties of Eldorado in the Arrangement Agreement shall be true and correct in all respects without regard to any materiality or Eldorado Material Adverse Effect qualifications contained in them as of the Effective Time, as though made on and as of the Effective Time (except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of that specified date), except where the failure or failures of all such representations and warranties to be so true and correct in all respects would not reasonably be expected to have a Material Adverse Effect, provided however that the representations in respect of interests in Eldorado Properties and Eldorado Mineral Rights and in respect of foreign corrupt practices legislation shall be true and correct as of the Effective Time and the Company shall have received a certificate of Eldorado, dated the Effective Date, signed on behalf of Eldorado by two of its senior executive officers (on Eldorado's behalf and without personal liability), to this effect;
- Eldorado shall have complied with its obligations in respect of the payment of Consideration and the Depositary shall have confirmed receipt of the Consideration and funds contemplated thereby;
- there shall not have occurred a Eldorado Material Adverse Effect that has not been publicly disclosed by Eldorado prior to the date of the Arrangement Agreement or disclosed to the Company in writing prior to the date of the Arrangement Agreement, and since the date of the Arrangement Agreement, there shall not have occurred a Eldorado Material Adverse Effect and the Company shall have received a certificate signed by two senior executive officers of Eldorado (on Eldorado's behalf and without personal liability) to such effect;
- Eldorado shall have delivered evidence to the Company, acting reasonably, of the approval of the listing and posting for trading on the TSX and NYSE of the Eldorado Shares and the shares

issuable on the exercise of the Eldorado Replacement Options, subject only to satisfaction of the customary listing conditions of the TSX and NYSE, as the case may be; and

- the distribution of the Eldorado Shares shall be exempt from the prospectus requirements of Canadian Securities Laws and shall either be (i) exempt from the registration requirements of the U.S. Securities Act, or (ii) registered pursuant to an effective registration statement under the U.S. Securities Act; and: (x) there shall be no resale restrictions on the Eldorado Shares under Canadian Securities Laws, except in respect of those holders who are subject to restrictions on resale as a result of being a “control person” under securities laws in Canada; and (y) the Eldorado Shares shall not be “restricted securities” within the meaning of Rule 144 under the U.S. Securities Act, subject to restrictions on transfers applicable to “affiliates” (as defined in Rule 405 under the U.S. Securities Act) of Amalco and Eldorado following completion of the Arrangement.

Covenants

Covenants of European Goldfields Regarding the Conduct of the Business

The Company agreed in the Arrangement Agreement to certain customary covenants relating to its conduct from the date of the Arrangement Agreement until the Effective Date, (including without limitation) to:

- conduct its businesses only in, not take any action except in, and maintain its respective facilities in the ordinary course of business consistent with past practice and to use commercially reasonable efforts to preserve intact its and their present business organization and goodwill, to preserve intact the Company, its Property and Mineral Rights, to keep available the services of its officers and employees as a group and to maintain satisfactory relationships consistent with past practice with suppliers, distributors, employees, Governmental Entities and others having business relationships with them, provided that, Eldorado shall not unreasonably withhold its consent for the disposition or transfer of a non-material Property or Mineral Right;
- not issue, sell, grant, award, pledge, dispose of, encumber or agree to issue, sell, grant, award, pledge, dispose of or encumber any European Goldfields Shares, any European Goldfields Options or any warrants, calls, conversion privileges or rights of any kind to acquire any European Goldfields Shares or other securities or any shares of its Subsidiaries, other than in the ordinary course of business consistent with past practice and in accordance with the European Goldfields Option Plan, European Goldfields RSU Plan and the European Goldfields DPU Plan or the European Goldfields JOE Plan or pursuant to the terms of existing European Goldfields Options, European Goldfields RSUs, European Goldfields DPUs or joint owned equity awards pursuant to the European Goldfields JOE Plan (and any loans related thereto) outstanding as at the date of the Arrangement Agreement;
- not, other than in the ordinary course of business, sell, pledge, lease, dispose of, mortgage, licence, encumber or agree to sell, pledge, dispose of, mortgage, licence, encumber or otherwise transfer any assets of the Company or any of its Subsidiaries or any interest in any assets of European Goldfields and its Subsidiaries having a value greater than Cdn\$5 million in the aggregate;
- not sell, pledge, lease, dispose of, mortgage, licence, encumber or agree to sell, pledge, dispose of, mortgage, licence, encumber or otherwise transfer any Property or Mineral Rights of the

Company or any of its Subsidiaries or any interest in any Property or Mineral Rights of the Company and its Subsidiaries;

- not enter into any long-term sale, forward sale, off-take, royalty or hedging agreement with respect to any commodities extracted from any Property or Mineral Right of the Company, other than sales of zinc and lead in the ordinary course of business from the Company's Stratoni project;
- not amend or propose to amend the articles, by-laws or other constating documents or the terms of any securities of the Company or any of its Subsidiaries;
- not to split, combine or reclassify any outstanding European Goldfields Shares or the securities of any of its Subsidiaries;
- not to redeem, purchase or offer to purchase any European Goldfields Shares or other securities of European Goldfields or any shares or other securities of its Subsidiaries;
- not to declare, set aside or pay any dividend or other distribution (whether in cash, securities or property or any combination thereof) in respect of any European Goldfields Shares except, in the case of any of European Goldfields' wholly-owned Subsidiaries, for dividends payable to European Goldfields;
- not to reorganize, amalgamate or merge European Goldfields or any of its Subsidiaries with any other Person;
- not to reduce the stated capital of the shares of European Goldfields or of any of its Subsidiaries;
- not to, other than cash management investments made in accordance with European Goldfields' existing cash management policies and practices, or acquisitions or investments made in accordance with the European Goldfields Budget, acquire or agree to acquire (by merger, amalgamation, acquisition of shares or assets or otherwise) any Person, or make any investment either by purchase of shares or securities, contributions of capital (other than to wholly-owned Subsidiaries), property transfer or purchase of any property or assets of any other Person that has a value greater than Cdn\$5 million in the aggregate;
- not to, except in the ordinary course of business consistent with past practice, incur, create, assume or otherwise become liable for any indebtedness for borrowed money or any other material liability or obligation or issue any debt securities, except for the borrowing of working capital in the ordinary course of business and consistent with past practice, or guarantee, endorse or otherwise as an accommodation become responsible for, the obligations of any other Person or make any loans or advances;
- not to adopt a plan of liquidation or resolutions providing for the liquidation or dissolution of European Goldfields or any of its Subsidiaries;
- not to pay, discharge, settle, satisfy, compromise, waive, assign or release any claims, liabilities or obligations other than the payment, discharge or satisfaction, in the ordinary course of business consistent with past practice, of liabilities reflected or reserved against in European Goldfields' financial statements or incurred in the ordinary course of business consistent with past practice;

- not to authorize, recommend or propose any release or relinquishment of any contractual right, except in the ordinary course of business consistent with past practice;
- not to waive, release, grant, transfer, exercise, modify or amend in any material respect, other than in the ordinary course of the business consistent with past practice, (i) any existing contractual rights in respect of any Mineral Rights and Properties, (ii) any material Authorization, lease, concession, contract or other document, or (iii) any other material legal rights or claims;
- not to waive, release, grant or transfer any rights of value or modify or change in any material respect any existing licence, lease, contract or other document, other than in the ordinary course of business consistent with past practice;
- not to take any action or fail to take any action which action or failure to act would result in the material loss, expiration or surrender of, or the loss of any material benefit under, or reasonably be expected to cause any Governmental Entities to institute proceedings for the suspension, revocation or limitation of rights under, any material Permits necessary to conduct its businesses as now conducted; or fail to prosecute with commercially reasonable due diligence any pending applications to any Governmental Entities;
- not to incur business expenses other than: (a) in accordance with the European Goldfields Budget, or (b) otherwise in the ordinary course and consistent with past practice;
- not to take any action or fail to take any action that is intended to, or would reasonably be expected to, individually or in the aggregate, prevent, materially delay or materially impede the ability of the Company to consummate the Arrangement or the other transactions contemplated by the Arrangement Agreement, other than in connection with a Pre-Acquisition Reorganization;
- not to increase the benefits payable or to become payable to its directors or officers (whether from the Company or any of its Subsidiaries), enter into or modify any employment, severance, or similar agreements or arrangements with, or grant any bonuses, salary increases, severance or termination pay to, any officer of the Company or member of the European Goldfields Board other than pursuant to agreements already entered into and disclosed in European Goldfields' public documents;
- not to, in the case of employees who are not officers of the Company or members of the European Goldfields Board, take any action other than in the ordinary course of business and consistent with past practice (none of which actions shall be unreasonable or unusual) with respect to the grant of any bonuses, salary increases, severance or termination pay or with respect to any increase of benefits payable in effect on the date of the Arrangement Agreement;

all provided, however, that except with respect to the covenant of the Company to postpone the Qatari Transactions shareholders vote, nothing in the Arrangement Agreement shall restrict the Company from pursuing the Qatari Transactions and all related matters thereto and further provided that the Company shall not have any obligations or liabilities in connection with the Qatari Transactions or any related matters thereto that survive completion of the Arrangement, other than payment of the Qatari Break Fee and the Heads of Terms.

European Goldfields further agreed and covenanted that it will:

- other than pursuant to the Plan of Arrangement, not establish, adopt, enter into, amend or waive any performance or vesting criteria or accelerate vesting (other than in respect of any unvested European Goldfields Options, European Goldfields RSUs, joint equity awards under the European Goldfields JOE Plan and certain European Goldfields DPUs previously disclosed to Eldorado as part of the Arrangement Agreement, the vesting of which may be accelerated) exercisability or funding under any bonus, profit sharing, thrift, incentive, compensation, stock option, restricted stock, pension, retirement, deferred compensation, savings, welfare, employment, termination, severance or other employee benefit plan, agreement, trust, fund, policy or arrangement for the benefit or welfare of any directors, officers, current or former employees of the Company or its Subsidiaries;
- use its reasonable commercial efforts to cause its current insurance (or re-insurance) policies not to be cancelled or terminated or any of the coverage thereunder to lapse, unless simultaneously with such termination, cancellation or lapsing, replacement policies underwritten by insurance and re-insurance companies of nationally recognized standing providing coverage equal to or greater than the coverage under the cancelled, terminated or lapsed policies for substantially similar premiums are in full force and effect;
- use its commercially reasonable best efforts to maintain and preserve all of its rights under each of its Mineral Rights and Properties and under each of its Authorizations;
- use all reasonable commercial efforts to advance the approval of the EIS in relation to the Company's Certej project in Romania and to obtain all applicable licences and permits relating to the current operations or future development of its Straton, Skouries and Olympias projects;
- not take any action, or permit any of its Subsidiaries to take any action, which would render, or which reasonably may be expected to render, any representation or warranty made by it in the Arrangement Agreement untrue in any material respect;
- provide Eldorado with prompt written notice of: (A) any change (or any condition, event, circumstance or development involving a prospective change) in the business, assets, operations, capitalization, condition (financial or otherwise), prospects, share or debt ownership, results of operations, cash flows, properties (including the Property and Mineral Rights), articles, by-laws, licenses, permits (including Authorizations), rights, or privileges, whether contractual or otherwise, or liabilities (including any contingent liabilities that may arise through outstanding, pending or threatened litigation or otherwise), of the Company or any of its Subsidiaries which, when considered either individually or in the aggregate, has resulted in or would reasonably be expected to result in a European Goldfields Material Adverse Effect; (B) the occurrence, or failure to occur, of any event or state of facts which occurrence or failure would or would be likely to (x) cause any of the representations of the Company contained herein to be untrue or inaccurate (without giving effect to, applying or taking into consideration any materiality or European Goldfields Material Adverse Effect qualification already contained within such representation or warranty) in any material respect; or (y) result in the failure in any material respect of the Company to comply with or satisfy any covenant, condition or agreement (without giving effect to, applying or taking into consideration any qualification already contained in such covenant, condition or agreement) to be complied with or satisfied prior to the Effective Time;

- not enter into or renew any agreement, contract, lease, licence or other binding obligation of the Company or its Subsidiaries (A) containing (1) any limitation or restriction on the ability of the Company or its Subsidiaries or, following completion of the transactions contemplated hereby, the ability of Eldorado or its Subsidiaries, to engage in any type of activity or business, (2) any limitation or restriction on the manner in which, or the localities in which, all or any portion of the business of the Company or its Subsidiaries or, following consummation of the transactions contemplated hereby, all or any portion of the business of Eldorado or its Subsidiaries, is or would be conducted, or (3) any limit or restriction on the ability of the Company or its Subsidiaries or, following completion of the transactions contemplated hereby, the ability of Eldorado or its Subsidiaries, to solicit customers or employees, or (B) that would reasonably be expected to materially delay or prevent the consummation of the transactions contemplated by the Arrangement Agreement;
- except in accordance with the European Goldfields Budget, not enter into or renew any agreement, contract, lease, licence or other binding obligation of the Company or its Subsidiaries that is not terminable within 30 days of the Effective Date without payment by Eldorado or its Subsidiaries that involves or would reasonably be expected to involve payments in excess of Cdn\$5 million in the aggregate over the term of the contract;
- except in accordance with the European Goldfields Budget, not incur any capital expenditures or enter into any agreement obligating the Company or its Subsidiaries to provide for future capital expenditures involving payments in excess of Cdn\$5 million in the aggregate;
- not enter into any shareholder rights agreements;
- The Company and each of its Subsidiaries shall:
 - (a) duly and timely file all tax returns required to be filed by it on or after the date of the Arrangement Agreement and all such tax returns will be true, complete and correct in all respects;
 - (b) timely withhold, collect, remit and pay all taxes which are to be withheld, collected, remitted or paid by it to the extent due and payable;
 - (c) not make or rescind any material express or deemed election relating to taxes;
 - (d) not make a request for a tax ruling or enter into any agreement with any taxing authorities or consent to any extension or waiver of any limitation period with respect to taxes;
 - (e) not settle or compromise any claim, action, suit, litigation, proceeding, arbitration, investigation, audit or controversy relating to taxes; and
 - (f) not amend any tax return or change any of its methods of reporting income, deductions or accounting for income tax purposes from those employed in the preparation of its income tax return for the tax year ended December 31, 2010, except as may be required by applicable Laws;

- not initiate any material discussions, negotiations or filings with any Governmental Entity regarding any matter (including with respect to the Arrangement or the transactions contemplated by the Arrangement Agreement or regarding the status of the Property or the Mineral Rights), except for any material discussions, negotiations or filings required to comply with the covenant to use reasonable commercial efforts to advance the required environmental and operating approval in Romania and Greece, without the prior consent of Eldorado, such consent not to be unreasonably withheld, and further agrees to provide Eldorado with immediate notice of any material communication (whether oral or written) from a Governmental Entity, including a copy of any written communication;
- immediately notify Eldorado of any opposition, concerns or threats raised or brought by non-governmental organizations, communities or community organizations in respect of the Company's current or planned operations; and
- not authorize or propose, or enter into or modify any contract, agreement, commitment or arrangement, to do any of the matters prohibited by the Arrangement Agreement.

Covenants of European Goldfields Regarding the Arrangement

European Goldfields agreed to perform and to cause its Subsidiaries to perform all obligations required under the Arrangement Agreement, co-operate with Eldorado in connection therewith, and do all such other acts and things as are reasonably necessary or desirable in order to consummate and make effective the transactions contemplated by the Arrangement Agreement, including, without restricting the generality of the foregoing, postponing the Qatari Transactions Vote until the later of: (i) the conclusion of the later of the European Goldfields Meeting or the Eldorado Meeting; (ii) at least ten days following the Effective Date, if the Arrangement Resolution is approved by the Company's Shareholders and the Eldorado Resolution is approved by the Eldorado Shareholders, or (iii) such other date as the Parties may agree in writing.

On December 22, 2011, the special meeting of European Goldfields Shareholders with respect to the Qatari Transactions Vote was adjourned in satisfaction of this covenant. The Arrangement Agreement provides that European Goldfields may continue to pursue the Qatari Transactions and all matters related thereto, provided that European Goldfields shall not have any obligations or liabilities in connection with the Qatari Transactions or any matters related thereto that survive completion of the Arrangement should the Arrangement be approved (other than payment of the Qatari Break Fee and the Heads of Terms).

Covenants of Eldorado

Eldorado agreed in the Arrangement Agreement that it:

- shall not enter into an investment in or acquisition of any asset or group of assets or an interest in any asset or group of assets that has a value greater than Cdn\$500,000,000 individually or in the aggregate, with the exception of investments or acquisitions that have been publicly disclosed by Eldorado prior to the date of the Arrangement Agreement; and
- shall and shall cause the Eldorado Subsidiaries to, perform all obligations required to be performed by Eldorado or any Eldorado Subsidiary under the Arrangement Agreement, co-operate with European Goldfields in connection therewith, and do all such other acts and things

as may be necessary or desirable in order to consummate and make effective, as soon as reasonably practicable, the transactions contemplated in the Arrangement Agreement.

- shall, as soon as practicable, but in any event within 10 business days of the date of the Arrangement Agreement, apply or cause an application to be made for Eldorado Shares to be capable of being delivered, held and settled through CREST as depository interests.

Pre-Acquisition Reorganization

European Goldfields agreed that upon request by Eldorado, it shall and shall cause its Subsidiaries to: (i) effect such reorganizations of European Goldfields' or its Subsidiaries' business, operations and assets or such other transactions as Eldorado may request, acting reasonably (each a "**Pre-Acquisition Reorganization**"); and (ii) co-operate with Eldorado and its advisors in order to determine the nature of the Pre-Acquisition Reorganizations that might be undertaken and the manner in which they might most effectively be undertaken; provided, however, that the Pre-Acquisition Reorganizations are not, in the opinion of European Goldfields, acting reasonably, prejudicial to the Company or the European Goldfields Securityholders in any respect. If Eldorado does not acquire all of the European Goldfields Shares, Eldorado shall: (i) reimburse the Company for all costs and expenses, including legal fees and disbursements, reasonably incurred in connection with any proposed Pre-Acquisition Reorganization; and (ii) indemnify the Company for any losses suffered (including taxes) resulting from any Pre-Acquisition Reorganization.

The Company further agrees not to take any action or enter into any transaction, other than a transaction effected at the request of Eldorado, that would have the effect of reducing or eliminating the amount of tax cost "bump" pursuant to paragraphs 87(11), 88(1)(c) and (d) of the ITA otherwise available to Eldorado, Eldorado Holdco or their successors in respect of the shares of the non-depreciable capital properties owned by European Goldfields and its subsidiaries.

European Goldfields Non-Solicitation

Pursuant to the Arrangement Agreement, European Goldfields and its Subsidiaries shall not directly or indirectly, through any officer, director, employee, advisor, representative, agent or otherwise:

- (a) make, solicit, assist, initiate, encourage or otherwise facilitate any inquiries, proposals or offers relating to any Acquisition Proposal for European Goldfields, or furnish any information with respect to, or otherwise cooperate in any way with, or assist or participate in, facilitate or encourage, any effort or attempt to do or seek to do any of the foregoing;
- (b) engage in any discussions or negotiations regarding, or provide any information with respect to, or otherwise co-operate in any way with, or assist or participate in, facilitate or encourage, any effort or attempt to make or complete any Acquisition Proposal for European Goldfields, provided, however, that, for greater certainty, European Goldfields may advise any Person making an unsolicited Acquisition Proposal that such Acquisition Proposal does not constitute a Superior Proposal when the European Goldfields Board has so determined;
- (c) withdraw, modify or qualify, or propose publicly to withdraw, modify or qualify, in any manner adverse to Eldorado, the approval or recommendation of the European

Goldfields Board or any committee thereof of the Arrangement Agreement or the Arrangement;

- (d) approve, recommend or remain neutral with respect to, or propose publicly to approve, recommend or remain neutral with respect to, any Acquisition Proposal involving European Goldfields (it being understood that publicly taking no position or a neutral position with respect to any Acquisition Proposal for a period of five Business Days or in respect to an Acquisition Proposal in respect of which a confidentiality agreement has been executed shall not be considered a violation); or
- (e) accept or enter into, or publicly propose to accept or enter into, any letter of intent, agreement in principle, agreement, arrangement or undertaking related to any Acquisition Proposal.

The European Goldfields Board may engage in discussions or negotiations with, or respond to enquiries from any Person that has made a *bona fide* unsolicited written Acquisition Proposal that the European Goldfields Board has determined constitutes or could reasonably be expected to result in a Superior Proposal, or provide information and access to properties, facilities, books or records of European Goldfields to any Person where the requirements of Arrangement Agreement are met.

European Goldfields shall immediately provide notice to Eldorado of any unsolicited *bona fide* Acquisition Proposal or any proposal, inquiry or offer that could lead to an Acquisition Proposal or any request for non-public information relating to European Goldfields or any of its Subsidiaries in connection with such an Acquisition Proposal or for access to the properties, books or records of European Goldfields or any Subsidiary by any Person that informs European Goldfields, any member of the European Goldfields Board or such Subsidiary that it is considering making, or has made, an Acquisition Proposal.

Furthermore, European Goldfields and its Subsidiaries agree that, directly or indirectly, through any officer, director, employee, advisor, representative, agent or otherwise:

- (a) European Goldfields shall immediately cease and cause to be terminated any existing discussions or negotiations with any Person (other than Eldorado) with respect to any potential Acquisition Proposal and, in connection therewith, European Goldfields will discontinue access to any of its confidential information (and not establish or allow access to any of its confidential information, or any data room, virtual or otherwise) and shall as soon as possible request the return or destruction of all confidential information provided in connection therewith to the extent such information has not already been returned or destroyed. European Goldfields agrees not to release any third party from any confidentiality, non-solicitation or standstill agreement to which such third party is a party, or terminate, modify, amend or waive the terms thereof and European Goldfields undertakes to enforce, or cause its Subsidiaries to enforce, all standstill, non-disclosure, non-disturbance, non-solicitation and similar covenants that it or any of its Subsidiaries have entered into prior to the date of the Arrangement Agreement or entered into after the date of the Arrangement Agreement;
- (b) From and after the date of the Arrangement Agreement, European Goldfields shall immediately provide notice to Eldorado of any unsolicited Acquisition Proposal or any proposal, inquiry or offer that could lead to an Acquisition Proposal or any amendments

to the foregoing or any request for non-public information relating to European Goldfields or any of its Subsidiaries in connection with such an Acquisition Proposal or for access to the properties, books or records of European Goldfields or any Subsidiary by any Person that informs European Goldfields, any member of the European Goldfields Board or such Subsidiary that it is considering making, or has made, an Acquisition Proposal. Such notice to Eldorado shall be made, from time to time, first immediately orally and then promptly (and in any event within 24 hours) in writing and shall indicate the identity of the Person making such proposal, inquiry or contact, all material terms thereof and such other details of the proposal, inquiry or contact known to European Goldfields, and shall include copies of any such proposal, inquiry, offer or request or any amendment to any of the foregoing. European Goldfields shall keep Eldorado promptly and fully informed of the status, including any change to the material terms, of any such Acquisition Proposal, offer, inquiry or request and will respond promptly to all inquiries by Eldorado with respect thereto;

- (c) if European Goldfields receives a request for material non-public information from a Person who proposes to European Goldfields an unsolicited written Acquisition Proposal and: (x) the European Goldfields Board determines that such Acquisition Proposal constitutes or could reasonably be expected to result in a Superior Proposal; and (y) in the opinion of the European Goldfields Board, acting in good faith and on advice from its outside legal advisors, the failure to provide such party with access to information regarding European Goldfields and its Subsidiaries would be inconsistent with the fiduciary duties of the European Goldfields Board, then, and only in such case, European Goldfields may provide such Person with access to information regarding European Goldfields and its Subsidiaries, subject to the execution of a confidentiality and standstill agreement which is customary in such situations and which, in any event and taken as a whole, is no less favourable to European Goldfields than the Confidentiality Agreement, then provided that European Goldfields sends a copy of any such confidentiality and standstill agreement to Eldorado promptly upon its execution and Eldorado is provided with a list of, and, at the request of Eldorado, copies of, the information provided to such Person and immediately provided with access to similar information to which such Person was provided;
- (d) European Goldfields shall not accept, approve or enter into any agreement (a “**Proposed Agreement**”), other than a confidentiality agreement, with any Person providing for or to facilitate any Acquisition Proposal unless:
 - (i) the European Goldfields Board determines that the Acquisition Proposal constitutes a Superior Proposal;
 - (ii) the European Goldfields Meeting has not occurred;
 - (iii) European Goldfields has complied with the non-solicitation provisions in the Arrangement Agreement;
 - (iv) European Goldfields has provided Eldorado with a notice in writing that there is a Superior Proposal together with all documentation related to and detailing the Superior Proposal, including a copy of any Proposed Agreement relating to such Superior Proposal, and a written notice from the European Goldfields Board

regarding the value in financial terms that the European Goldfields Board has in consultation with its financial advisors determined should be ascribed to any non-cash consideration offered under the Superior Proposal, such documents to be so provided to Eldorado not less than five Business Days prior to the proposed acceptance, approval, recommendation or execution of the Proposed Agreement by European Goldfields;

- (v) Five Business Days shall have elapsed from the date Eldorado received the notice and documentation referred to in subparagraph (iv) from European Goldfields and, if Eldorado has proposed to amend the terms of the Arrangement in accordance with paragraph (e) below, the European Goldfields Board shall have determined, in good faith, after consultation with its financial advisors and outside legal counsel, that the Acquisition Proposal is a Superior Proposal compared to the proposed amendment to the terms of the Arrangement by Eldorado;
- (vi) European Goldfields concurrently terminates the Arrangement Agreement; and
- (vii) European Goldfields has previously, or concurrently will have, paid to Eldorado the European Goldfields Termination Fee;

and European Goldfields further agrees that it will not withdraw, modify or qualify (or propose to withdraw, modify or qualify) in any manner adverse to Eldorado the approval or recommendation of the Arrangement, nor accept, approve or recommend any Acquisition Proposal unless the requirements of the Arrangement Agreement have been satisfied;

- (e) European Goldfields acknowledges and agrees that, during the five business day period or such longer period as European Goldfields may approve for such purpose, Eldorado shall have the opportunity, but not the obligation, to propose to amend the terms of the Arrangement Agreement and European Goldfields shall co-operate with Eldorado with respect thereto, including negotiating in good faith with Eldorado to enable Eldorado to make such adjustments to the terms and conditions of the Arrangement Agreement and the Arrangement as Eldorado deems appropriate and as would enable Eldorado to proceed with the Arrangement and any related transactions on such adjusted terms. The European Goldfields Board will review any proposal by Eldorado to amend the terms of the Arrangement in order to determine, in good faith in the exercise of its fiduciary duties whether Eldorado's proposal to amend the Arrangement would result in the Acquisition Proposal not being a Superior Proposal compared to the proposed amendment to the terms of the Arrangement;
- (f) The European Goldfields Board shall promptly reaffirm its recommendation of the Arrangement by press release after: (x) any Acquisition Proposal which the European Goldfields Board determines not to be a Superior Proposal is publicly announced or made; or (y) the European Goldfields Board determines that a proposed amendment to the terms of the Arrangement would result in the Acquisition Proposal which has been publicly announced or made not being a Superior Proposal, and Eldorado has so amended the terms of the Arrangement. Eldorado and its counsel shall be given a reasonable opportunity to review and comment on the form and content of any such

press release, recognizing that whether or not such comments are appropriate will be determined by European Goldfields, acting reasonably.

- (g) Nothing in the Arrangement Agreement shall prevent the European Goldfields Board from responding through a directors' circular or otherwise as required by applicable Canadian Securities Laws to an Acquisition Proposal that it determines is not a Superior Proposal, or from withdrawing, modifying or changing its recommendation as a result of an Eldorado Material Adverse Effect. Further, nothing in the Arrangement Agreement shall prevent the European Goldfields Board from making any disclosure to the securityholders of European Goldfields if the European Goldfields Board, acting in good faith and upon the advice of its legal advisors, shall have first determined that the failure to make such disclosure would be inconsistent with the fiduciary duties of the European Goldfields Board or such disclosure is otherwise required under applicable Law, provided, however, that, notwithstanding the European Goldfields Board shall be permitted to make such disclosure, the European Goldfields Board shall not be permitted to make a European Goldfields Change in Recommendation, other than as permitted under the Arrangement Agreement. Eldorado and its counsel shall be given a reasonable opportunity to review and comment on the form and content of any such disclosure, recognizing that whether or not such comments are appropriate will be determined by European Goldfields, acting reasonably;
- (h) European Goldfields acknowledges and agrees that each successive modification of any Acquisition Proposal shall constitute a new Acquisition Proposal;
- (i) European Goldfields shall ensure that the officers, directors and employees of European Goldfields and its Subsidiaries and any investment bankers or other advisors or representatives retained by European Goldfields and/or its Subsidiaries in connection with the transactions contemplated by the Arrangement Agreement are aware of these provisions, and European Goldfields shall be responsible for any breach of the Arrangement Agreement by such person;
- (j) If European Goldfields provides Eldorado with the notice of an Acquisition Proposal on a date that is less than seven calendar days prior to the European Goldfields Meeting, if requested by Eldorado, European Goldfields shall adjourn the European Goldfields Meeting to a date that is not less than seven calendar days and not more than 10 calendar days after the date of such notice, provided, however, that the European Goldfields Meeting shall not be adjourned or postponed to a date later than the seventh (7) business day prior to the Outside Date.

Termination of the Arrangement Agreement

The Arrangement Agreement may be terminated:

- (a) by mutual written agreement of European Goldfields and Eldorado;
- (b) by either European Goldfields or Eldorado, if (i) the Effective Time does not occur on or before the Outside Date except the right to terminate in this manner is not available to a Party whose failure to fulfill any of its obligations or breach any of its representations and warranties under the Arrangement Agreement has been the cause of the failure for

the Effective Time to occur by the Outside Date; (ii) any applicable Law is enacted that makes consummation of the Arrangement illegal or otherwise prohibited or enjoins European Goldfields or Eldorado from consummating the Arrangement and such applicable Law or injunction shall have become final and non-appealable; (iii) European Goldfields Shareholder Approval or European Goldfields Combined Securityholder Approval shall not have been obtained at the European Goldfields Meeting in accordance with the Interim Order; or (iv) Eldorado Shareholder Approval shall not have been obtained at the Eldorado Meeting;

- (c) by Eldorado, if, prior to the Effective Time, (i) the European Goldfields Board fails to recommend or withdraws, amends, modifies or qualifies in a manner adverse to Eldorado or fails to publicly reaffirm its recommendation of the Arrangement Agreement within five Business Days (and in any event, prior to the European Goldfields Meeting) after having been requested by Eldorado to do so in a manner adverse to Eldorado; (ii) the European Goldfields Board or a committee thereof shall have approved or recommended any Acquisition Proposal; or (iii) European Goldfields shall have breached the non-solicitation covenants in the Arrangement Agreement in any material respect;
- (d) by Eldorado, if a breach of any representation or warranty or failure to perform any covenant or agreement on the part of European Goldfields in the Arrangement Agreement would cause certain conditions precedent in the Arrangement Agreement not to be satisfied, and such conditions are incapable of being satisfied by the Outside Date; provided, however, that Eldorado is not then in breach of the Arrangement Agreement that would cause certain conditions precedent in the Arrangement Agreement not to be satisfied;
- (e) by European Goldfields, if, prior to the Effective Time, the Eldorado Board fails to recommend or withdraws, amends, modifies or qualifies in a manner adverse to European Goldfields or fails to publicly reaffirm its recommendation of the Arrangement Agreement within five Business Days (and in any event, prior to the Eldorado Meeting) after having been requested in writing by European Goldfields to do so;
- (f) by European Goldfields, if a breach of any representation or warranty or failure to perform any covenant or agreement on the part of Eldorado in the Arrangement Agreement would cause certain conditions precedent in the Arrangement Agreement not to be satisfied, and such conditions are incapable or being satisfied by the Outside Date as reasonably determined by European Goldfields; provided, however, that European Goldfields is not then in breach of the Arrangement Agreement that would cause certain conditions precedent in the Arrangement Agreement not to be satisfied;
- (g) by European Goldfields, if it wishes to enter into a binding written agreement with respect to a Superior Proposal (other than a non-disclosure and standstill agreement permitted by the non-solicitation provisions of the Arrangement Agreement), subject to compliance with the non-solicitation covenants in the Arrangement Agreement in all material respects, and subject to the payment of any termination or expense fees.

European Goldfields Termination Fee

The Arrangement Agreement provides that European Goldfields will pay the European Goldfields Termination Fee to Eldorado if a European Goldfields Termination Fee Event occurs. “**European Goldfields Termination Fee Event**” means the termination of the Arrangement Agreement:

- (a) by Eldorado, pursuant to its right to terminate the Arrangement Agreement if (A) there is a European Goldfields Change in Recommendation (but not including a termination by Eldorado in circumstances where the European Goldfields Change in Recommendation resulted from the occurrence of a Eldorado Material Adverse Effect) prior to the European Goldfields Meeting;
- (b) by European Goldfields, pursuant to its right to terminate the Arrangement Agreement in order to enter into a definitive written agreement with respect to a Superior Proposal;
- (c) by either Eldorado or European Goldfields, if (1) the European Goldfields Shareholder Approval or European Goldfields Combined Securityholder Approval is not obtained at the European Goldfields Meeting in accordance with the Interim Order, or, (2) the Effective Time has not occurred by April 30, 2012, but only if, in these termination events, (x) prior to such termination, an Acquisition Proposal for European Goldfields shall have been made or publicly announced and not withdrawn by any Person other than Eldorado and (y) within twelve months following the date of such termination, European Goldfields or one or more of its Subsidiaries (A) enters into a definitive agreement in respect of one or more Acquisition Proposals or (B) there shall have been consummated one or more Acquisition Proposals for European Goldfields; provided that, European Goldfields shall be entitled to deduct from the European Goldfields Termination Fee an amount equal to the European Goldfields Expense Fee if any such fees were paid to Eldorado.

Eldorado Termination Fee

The Arrangement Agreement provides that Eldorado will pay the Eldorado Termination Fee to European Goldfields if a Eldorado Termination Fee Event occurs. “**Eldorado Termination Fee Event**” means the termination of the Arrangement Agreement:

- (a) by European Goldfields, pursuant to its right to terminate the Arrangement Agreement if (A) there is a Eldorado Change in Recommendation (but not including a termination by European Goldfields in circumstances where the Eldorado Change in Recommendation resulted from the occurrence of a European Goldfields Material Adverse Change) prior to the Eldorado Meeting; or
- (b) by either Party if the Eldorado Shareholder Approval is not obtained at the Eldorado Meeting or if the Effective Time has not occurred by April 30, 2012, but only if, in these termination events, (x) prior to such termination, an Acquisition Proposal for Eldorado shall have been made or publicly announced and not withdrawn by any Person other than European Goldfields and (y) within twelve months following the date of such termination, Eldorado or one or more of its Subsidiaries (A) enters into a definitive agreement in respect of one or more Acquisition Proposals or (B) there shall have been consummated one or more Acquisition Proposals for Eldorado; provided that, Eldorado

shall be entitled to deduct from the Eldorado Termination Fee an amount equal to the Eldorado Expense Fee if any such fees were paid to European Goldfields.

European Goldfields Expense Fee

The Arrangement Agreement provides that European Goldfields will pay the European Goldfields Expense Fee to Eldorado if a European Goldfields Expense Fee Event occurs. “**European Goldfields Expense Fee Event**” means the termination of the Arrangement Agreement:

- (a) by Eldorado or European Goldfields if the European Goldfields Shareholder Approval or European Goldfields Combined Securityholder Approval is not obtained at the European Goldfields Meeting in accordance with the Interim Order; or
- (b) by Eldorado if a breach of any representation or warranty or failure to perform any covenant or agreement on the part of European Goldfields set forth in the Arrangement Agreement occurs that would cause the conditions in respect of: (i) the due performance by European Goldfields of all covenants of European Goldfields (which have not been waived by Eldorado) and (ii) the truth and correctness of the representations and warranties of European Goldfields in the Arrangement Agreement not to be satisfied, and such conditions are incapable of being satisfied by the Outside Date, provided Eldorado is not in breach of the Arrangement Agreement so as to cause such conditions not to be satisfied.

If a European Goldfields Expense Fee Event occurs, European Goldfields will pay the European Goldfields Expense Fee to Eldorado by wire transfer of immediately available funds within two Business Days following such termination. The European Goldfields Expense Fee will not be payable if the Arrangement Agreement is terminated by either of European Goldfields or Eldorado because the European Goldfields Shareholder Approval or European Goldfields Combined Securityholder Approval shall not have been obtained at the European Goldfields Meeting in accordance with the Interim Order, if the Eldorado Shareholder Approval was not obtained at the Eldorado Meeting or a European Goldfields Change in Recommendation occurred as a result of a Eldorado Material Adverse Effect.

Eldorado Expense Fee

The Arrangement Agreement provides that Eldorado will pay the Eldorado Expense Fee to European Goldfields if an Eldorado Expense Fee Event occurs. “**Eldorado Expense Fee Event**” means the termination of the Arrangement Agreement:

- (a) by Eldorado or European Goldfields if the Eldorado Shareholder Approval is not obtained at the Eldorado Meeting; or
- (b) by European Goldfields if a breach of any representation or warranty or failure to perform any covenant or agreement on the part of Eldorado set forth in the Arrangement Agreement occurs that would cause the conditions in respect of: (i) the due performance by Eldorado of all covenants of Eldorado (which have not been waived by European Goldfields) and (ii) the truth and correctness of the representations and warranties of Eldorado in the Arrangement Agreement not to be satisfied, and such conditions are incapable of being satisfied by the Outside Date, provided European Goldfields is not in breach of the Arrangement Agreement so as to cause such conditions not to be satisfied.

If a Eldorado Expense Fee Event occurs, Eldorado will pay the Eldorado Expense Fee to Eldorado by wire transfer of immediately available funds within two Business Days following such termination. The Eldorado Expense Fee will not be payable if the Arrangement Agreement is terminated by either of European Goldfields or Eldorado because the Eldorado Shareholder Approval was not obtained at the Eldorado Meeting, if the European Goldfields Shareholder Approval was not obtained at the European Goldfields Meeting.

Qatari Break Fee

The Arrangement Agreement provides that should Qatar Holding make a claim for the Qatari Break Fee prior to the Effective Time, Eldorado shall promptly, and in any event, within two Business Days, pay for the Qatari Break Fee.

Directors' and Officers' Insurance

The Arrangement Agreement provides that prior to the Effective Date, European Goldfields shall purchase customary "tail" policies of directors' and officers' liability insurance providing protection no less favourable in the aggregate to the protection provided by the policies maintained by European Goldfields and its subsidiaries which are in effect immediately prior to the Effective Date and providing protection in respect of claims arising from facts or events which occurred on or prior to the Effective Date and Eldorado will, or will cause European Goldfields and its subsidiaries to, maintain such tail policies in effect without any reduction in scope or coverage for six years from the Effective Date; provided, however, that Eldorado shall not be required to pay any amounts in respect of such coverage prior to the Effective Time and provided further that the aggregate cost of such policy for the six year period shall not exceed 300% of European Goldfields' current annual aggregate premium for policies currently maintained by European Goldfields or its subsidiaries. Subsequent to entering into the Arrangement Agreement, Eldorado and European Goldfields have agreed that Eldorado will be entitled to purchase the directors' and officers' liability insurance having the terms described above.

Eldorado agrees that it shall cause European Goldfields to honour all rights to indemnification or exculpation now existing in favour of present and former officers and directors of European Goldfields and its subsidiaries to the extent that they are disclosed in the European Goldfields Disclosure Letter, and acknowledges that such rights, to the extent that they are disclosed in the European Goldfields Disclosure Letter, shall survive the completion of the Plan of Arrangement and shall continue in full force and effect for a period of not less than six years from the Effective Date.

Amendment

The Plan of Arrangement and the Arrangement Agreement may be amended by mutual written agreement of Eldorado or the Company and any such amendment may without limitation:

- (a) change the time for performance of any of the obligations or acts of Eldorado or European Goldfields;
- (b) waive any inaccuracies or modify any representation or warranty contained in the Arrangement Agreement or in any document delivered pursuant to the Arrangement Agreement;

- (c) waive compliance with or modify any of the covenants in the Arrangement Agreement and waive or modify performance of any of the obligations of Eldorado or European Goldfields; and
- (d) waive compliance with or modify any mutual conditions precedent in the Arrangement Agreement.

RISK FACTORS

In assessing the Arrangement, European Goldfields Shareholders should carefully consider the risks described in the European Goldfields AIF and the Eldorado AIF incorporated by reference in this Circular which are filed on SEDAR, together with the other information contained in or incorporated by reference into this Circular. Additional risks and uncertainties, including those currently unknown to or considered to be not material by European Goldfields, may also adversely affect the business of the Combined Company or any one or more of Eldorado, European Goldfields and the Combined Company. The Arrangement and the operations of the Combined Company are subject to certain risks including the following:

Risks Related to the Arrangement

The Eldorado Shares and Eldorado Replacement Options issued in connection with the Arrangement may have a market value different than expected.

Pursuant to the Arrangement, each European Goldfields Shareholder will be entitled to receive 0.85 of an Eldorado Share for each European Goldfields Share held. The market value of the Eldorado Shares at the Effective Time may vary significantly from the market value of the Eldorado Shares immediately prior to the announcement of the Arrangement and at the date of this Circular. If the market value of Eldorado Shares declines, the value of the Consideration received by European Goldfields Shareholders will decline as well. Variations may occur as a result of changes in, or market perceptions of changes in, the business, operations or prospects of Eldorado, European Goldfields and the Combined Company, regulatory considerations, general market and economic conditions, changes in metal prices and other factors over which neither European Goldfields nor Eldorado has control.

Completion of the Arrangement is subject to several conditions that must be satisfied or waived.

Completion of the Arrangement is subject to a number of conditions. There can be no certainty, nor can European Goldfields provide any assurance, that these conditions will be satisfied or, if satisfied, when they will be satisfied. In addition, there are a number of other conditions precedent to the Arrangement which are outside the control of European Goldfields or Eldorado, including, but not limited to, the European Goldfields Shareholder Approval, European Goldfields Combined Securityholder Approval, Eldorado Shareholder Approval and required regulatory and third party approvals and consents. See "The Arrangement Agreement – Conditions Precedent to the Arrangement" in this Circular.

If for any reason the conditions to the Arrangement are not satisfied or waived and the Arrangement is not completed, the market price of European Goldfields Shares may be adversely affected and it may not be possible for the Company to obtain alternative funding for its projects.

The Arrangement Agreement may be terminated, in which case European Goldfields may not be able to solicit an alternative transaction.

Each of European Goldfields and Eldorado has the right to terminate the Arrangement Agreement in certain circumstances. Accordingly, there is no certainty that the Arrangement Agreement will not be terminated by either European Goldfields or Eldorado before the completion of the Arrangement.

If the Arrangement Agreement is terminated, there is no assurance that the European Goldfields Board will be able to find a party willing to pay an equivalent or greater price for European Goldfields Shares than the price to be paid pursuant to the terms of the Arrangement Agreement. Should the Arrangement not be approved, European Goldfields intends to pursue the Qatari Transactions, however, in such circumstances there is no guarantee that the Qatari Transactions will be completed.

The issuance of a significant number of Eldorado Shares could adversely affect the market price of Eldorado Shares.

If the Arrangement is completed, a significant number of additional Eldorado Shares will be available for trading in the public market. The increase in the number of Eldorado Shares may lead to sales of such shares or the perception that such sales may occur, either of which may adversely affect the market for, and the market price of, Eldorado Shares.

European Goldfields has not verified the reliability of the information regarding Eldorado included in, or which may have been omitted from, this Circular.

Unless otherwise indicated, all historical information regarding Eldorado contained in this Circular, including all Eldorado financial information and all pro forma financial information reflecting the pro forma effects of the acquisition of European Goldfields by Eldorado, has been derived from Eldorado's publicly disclosed information. Although European Goldfields has no reason to doubt the accuracy or completeness of Eldorado's publicly disclosed information, any inaccuracy or material omission in Eldorado's publicly disclosed information, including the information about or relating to Eldorado contained in this Circular, could result in unanticipated liabilities or expenses, increase the cost of integrating the companies or adversely affect operational and development plans of the Combined Company and its results of operations and financial condition.

Risks Related to the Operations of the Combined Company

The Combined Company may not realize the benefits currently anticipated due to challenges associated with integrating the operations, technologies and personnel of European Goldfields and Eldorado.

The success of the Combined Company will depend in large part on the success of management of the Combined Company in integrating the operations, technologies and personnel of European Goldfields with those of Eldorado after the Effective Date. The failure of the Combined Company to achieve such integration could result in the failure of the Combined Company to realize the anticipated benefits of the Arrangement and could impair the results of operations, profitability and financial results of the Combined Company.

The overall integration of the operations, technologies and personnel of European Goldfields into the Combined Company may also result in unanticipated operational problems, expenses, liabilities and diversion of management's time and attention.

Economic and political conditions in the jurisdictions where the Parties operate.

European Goldfields' and Eldorado's principal assets are located in jurisdictions outside of North America with ongoing political and economic difficulties which could adversely impair the results of operations, profitability and financial results of the Combined Company. The risks include, but are not limited to, extreme fluctuations in currency exchange rates, high rates of inflation, labour and social unrest, terrorism, hostage taking and expropriation. Changes in mining or investment policies or shifts in political attitudes may also adversely affect the Combined Company's business. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, import, duties and taxes, export controls, currency remittance, income taxes, maintenance of claims, repatriation of earnings, environmental legislation, litigation, expropriation of property, land use and ownership, land claims of local people, water use and safety. Any changes in the laws relating to mining in the jurisdictions in which Eldorado or European Goldfields carries on business could materially affect the rights and title to the interests to be held there by the Combined Company. No assurance can be given that applicable governments will not revoke or significantly alter the conditions of the applicable exploration and mining authorizations nor that such exploration and mining authorizations will not be challenged or impugned by third parties. The effect of any of these factors cannot be accurately predicted. Operations, development and exploration activities carried out by Eldorado and European Goldfields are or may be affected to varying degrees by taxes and government regulations relating to such matters as environmental protection, land use, water use, health, safety, labour, restrictions on production, price controls, currency remittance, maintenance of mineral rights, mineral tenure and exploration of property.

The Combined Company will be subject to a broad range of environmental laws and regulations in the jurisdictions in which it operates and will be exposed to potentially significant environmental costs and liabilities.

European Goldfields and Eldorado are subject to a broad range of environmental laws and regulations in each jurisdiction in which they operate. These laws and regulations, as interpreted by relevant agencies and the courts, impose increasingly stringent environmental protection standards regarding, among other things, air emissions, wastewater storage, treatment and discharges, the use and handling of hazardous or toxic materials, waste disposal practices, and the remediation of environmental contamination. The costs of complying with these laws and regulations, including participation in assessments and remediation of sites, could be significant. In addition, these standards can create the risk of substantial environmental liabilities, including liabilities associated with divested assets and past activities.

Significant permitting and regulatory work remains going forward in order to bring European Goldfields' exploration and development projects into production. Actual capital costs necessary to develop the projects could be significantly above European Goldfields' estimates. Such capital cost overruns could have a significant adverse affect on the Combined Company.

The Combined Company may not meet key production or cost estimates.

The level of production and capital and operating costs estimates relating to development projects, which are used in establishing mineral reserve and mineral resource estimates and for obtaining financing and other purposes, are based on certain assumptions and are inherently subject to significant uncertainty. Actual results for the Combined Company's projects could differ from current estimates and assumptions, and these differences may be material. In addition, development activities or processing

operations may identify new or unexpected conditions which could reduce production below, or increase capital or operating costs above, current estimates. If actual results are less favourable than currently estimated, the results of operations, profitability and financial results of the Combined Company could be materially adversely affected.

The cash flow from operations of the Combined Company may be affected by a change in the production outlook.

A change in the amount, or timing of the production outlook of the Combined Company, or a change in metal prices, will directly affect the amount and timing of the Combined Company's cash flow from operations. Any change in the timing of these projected cash flows could result in delays in receipt of such cash flows and may require additional borrowings to fund capital expenditures, including capital for the Combined Company's development projects. Any such financing requirements could adversely affect the Combined Company's ability to access capital markets in the future to meet any external financing requirements or increase its debt financing costs.

Competition in the mining industry may adversely affect the Combined Company's ability to acquire additional properties

The international mining industry is highly competitive. Competition for new mining properties may prevent the Combined Company from acquiring interests in additional properties or mining operations. Accordingly, there can be no assurance that the Combined Company will acquire any interest in additional operations that would yield reserves or result in commercial mining operations.

Other Risks

Due to the inherent uncertainty of the litigation process and dealings with regulatory bodies, there is no assurance that any legal or regulatory proceeding involving European Goldfields or Eldorado and their subsidiaries will be resolved in a manner that will not have a material and adverse effect on future cash flow, results of operations or financial condition of the Combined Company if the Arrangement is implemented.

RIGHTS OF DISSENTING SHAREHOLDERS

Registered Shareholders who wish to dissent should take note that strict compliance with the Dissent Procedures is required.

The following description of the Dissent Rights is not a comprehensive statement of the procedures to be followed by a Dissenting Shareholder who seeks payment of the fair value of its European Goldfields Shares and is qualified in its entirety by the reference to the full text of the Interim Order, Plan of Arrangement and Section 193 of the YBCA which are attached to this Circular as Appendices D, B and F, respectively. A Dissenting Shareholder who intends to exercise the Dissent Rights should carefully consider and comply with the provisions of Section 193 of the YBCA, as modified by the Interim Order and the Plan of Arrangement. Failure to comply strictly with the provisions of the YBCA, as modified by the Interim Order, and to adhere to the procedures established therein may result in the loss of all rights thereunder. A Dissenting Shareholder should obtain independent legal advice with respect to the exercise of his or her Dissent Rights to ensure strict compliance with the Dissent Rights procedures.

The Court hearing the application for the Final Order has the discretion to alter the Dissent Rights described herein based on the evidence presented at such hearing.

Pursuant to the Interim Order, each Registered Shareholder may exercise Dissent Rights under Section 193 of the YBCA as modified by the Interim Order, Plan of Arrangement or the Final Order in respect of the Arrangement. European Goldfields Shareholders who duly exercise such Dissent Rights and who:

- (a) are ultimately entitled to be paid fair value for their European Goldfields Shares, which fair value, notwithstanding anything to the contrary contained in the YBCA, shall be determined as of the close of business on the day before the Effective Date, shall be deemed to have transferred their European Goldfields Shares to Eldorado in exchange for the right to be paid fair value for such European Goldfields Shares, and Eldorado shall thereupon be obligated to pay the amount therefore determined to be the fair value of such European Goldfields Shares; and
- (b) are ultimately not entitled, for any reason, to be paid fair value for their European Goldfields Shares shall be deemed to have participated in the Arrangement, as of the Effective Time, on the same basis as a non-dissenting holder of European Goldfields Shares and shall be entitled to receive only the Consideration contemplated in the Arrangement Agreement that such holder would have received pursuant to the Arrangement if such holder had not exercised Dissent Rights;

but in no case will Eldorado, European Goldfields or any other person be required to recognize such Dissenting Shareholders as European Goldfields Shareholders unless such person is a registered holder of those European Goldfields Shares in respect of which such rights are sought to be exercised and, for greater certainty, in no case shall European Goldfields, Eldorado or any other person be required to recognize Dissenting Shareholders as holders of European Goldfields Shares after the Effective Time, and the names of such Dissenting Shareholders shall be deleted from the register of European Goldfields Shareholders as of the Effective Time. In addition to any other restrictions under Section 193 of the YBCA, and for greater certainty, none of the following shall be entitled to exercise Dissent Rights: (i) holders of European Goldfields Options and European Goldfields RSUs; and (ii) European Goldfields Shareholders who vote, or who have instructed a proxyholder to vote, in favour of the Arrangement Resolution.

Persons who are Beneficial Shareholders who wish to dissent with respect to their European Goldfields Shares should be aware that only Registered Shareholders are entitled to dissent with respect to them. A Registered Shareholder such as an intermediary who holds European Goldfields Shares as nominee for Beneficial Shareholders, some of whom wish to dissent, must exercise Dissent Rights on behalf of such Beneficial Shareholders with respect to the European Goldfields Shares held for such Beneficial Shareholders. In such case, the Notice of Objection (as defined below) should set forth the number of European Goldfields Shares it covers and must be in respect of all of the European Goldfields Shares owned by the Dissenting Shareholder.

A Registered Shareholder who wishes to dissent must send a written objection notice (the "Notice of Objection") objecting to the Arrangement Resolution to European Goldfields, c/o Macdonald & Company, 200 - 204 Lambert Street, Whitehorse, Yukon Territory Y1A 3T2, Fax: 867-667-7600, Email: ghowells@anton.yk.ca, Attention: Gareth C. Howells, by not later than 5:00 p.m. (Toronto time) on February 17, 2012, or two Business Days prior to any adjournment of the European Goldfields Meeting. The Notice of Objection must set out the number of European Goldfields Shares held by the

Dissenting Shareholder and must be in respect of all of the European Goldfields Shares owned by the Dissenting Shareholder.

The delivery of a Notice of Objection does not deprive such Dissenting Shareholder of its right to vote at the European Goldfields Meeting, however, a vote in favour of the Arrangement Resolution will result in a loss of its Dissent Right. A vote against the Arrangement Resolution, whether in person or by proxy, does not constitute a Notice of Objection, but a European Goldfields Shareholder need not vote its European Goldfields Shares against the Arrangement Resolution in order to object. Similarly, the revocation of a proxy conferring authority on the proxy holder to vote in favour of the Arrangement Resolution does not constitute a Notice of Objection in respect of the Arrangement Resolution, but any such proxy granted by a European Goldfields Shareholder who intends to dissent should be validly revoked (see "General Proxy Information – Appointment and Revocation of Proxies") in order to prevent the proxy holder from voting such European Goldfields Shares in favour of the Arrangement Resolution. A vote in favour of the Arrangement Resolution, whether in person or by proxy, will constitute a loss of a European Goldfields Shareholder's right to dissent. However, a European Goldfields Shareholder may vote as a proxy holder for another European Goldfields Shareholder whose proxy required an affirmative vote, without affecting the right of the proxy holder to exercise Dissent Rights.

If the Arrangement is approved, the Dissenting Shareholder who sent a Notice of Objection, or European Goldfields, may apply to the Court to fix the fair value of the Dissenting Shareholder's Dissenting Shares and the Court shall make an order fixing the fair value of such Dissenting Shares, giving judgment in that amount against European Goldfields in favour of the Dissenting Shareholder and fixing the time by which European Goldfields must pay that amount to the Dissenting Shareholder. If such an application is made by a Dissenting Shareholder, European Goldfields shall, unless the Court otherwise orders, send to each Dissenting Shareholder a written offer (the "Offer to Purchase") to pay to the Dissenting Shareholder, an amount considered by the directors of European Goldfields to be the fair value of the subject Dissenting Shares, together with a statement showing how the fair value of the subject Dissenting Shares was determined. Every Offer to Purchase shall be on the same terms. At any time before the Court pronounces an order fixing the fair value of a Dissenting Shareholder's Dissenting Shares, such Dissenting Shareholder may make an agreement with the European Goldfields for the purchase of such Dissenting Shares, in the amount of the Offer to Purchase, or otherwise. The Offer to Purchase shall be sent to each Dissenting Shareholder within 10 days of European Goldfields being served with a copy of the originating notice. Any order of the Court may also contain directions in relation to the payment to the Dissenting Shareholder of all or part of the sum offered by European Goldfields for the Dissenting Shares, the deposit of the share certificates representing the Dissenting Shares, and other matters. If a Dissenting Shareholder strictly complies with the foregoing requirements of the Dissent Rights, but the Arrangement is not completed, European Goldfields will return to the Dissenting Shareholder the certificates delivered to European Goldfields by the Dissenting Shareholder, if any.

On (i) the Effective Time, (ii) the making of an agreement between European Goldfields and the Dissenting Shareholder as to the payment to be made for the Dissenting Shareholder's Dissenting Shares, or (iii) the pronouncement of an order by the Court, whichever occurs first, the Dissenting Shareholder ceases to have any rights as a shareholder other than the right to be paid the fair value of his Dissenting Shares in an amount agreed to by European Goldfields and such Dissenting Shareholder or in the amount set forth an order by the Court, as the case may be, which fair value shall be determined as of the close of business on the last Business Day before the day on which the resolution from which the dissent was adopted. Until any one of such events occurs, the Dissenting Shareholder may withdraw his dissent or European Goldfields may rescind the Arrangement Resolution and in either event, the dissent proceedings shall be discontinued. If a Dissenting Shareholder fails to strictly comply with the

requirements of the Dissent Rights set out in the Interim Order, it will lose its Dissent Rights, the Company will return to the Dissenting Shareholder the certificates representing the Dissenting Shares that were delivered to European Goldfields, if any, and if the Arrangement is completed, that Dissenting Shareholder will be deemed to have participated in the Arrangement on the same terms as a European Goldfields Shareholder

If European Goldfields is not permitted to make a payment to a Dissenting Shareholder due to there being reasonable grounds for believing that European Goldfields is or would after the payment be unable to pay its liabilities as they become due, or the realizable value of European Goldfields' assets would thereby be less than the aggregate of its liabilities, then European Goldfields shall, within ten days after the pronouncement of an order, or the making of an agreement between the Dissenting Shareholder and European Goldfields as to the payment to be made for his Dissenting Shares, notify each Dissenting Shareholder that it is unable lawfully to pay Dissenting Shareholders for their shares.

Notwithstanding that a judgment has been given in favour of a Dissenting Shareholder by the Court, if European Goldfields is not permitted to make a payment to a Dissenting Shareholder for the reasons stated in the previous paragraph, the Dissenting Shareholder by written notice delivered to European Goldfields within 30 days after receiving the notice, as set forth in the previous paragraph, may withdraw his Notice of Objection in which case European Goldfields is deemed to consent to the withdrawal and the Dissenting Shareholder is reinstated to his full rights as a European Goldfields Shareholder, failing which he retains his status as a claimant against European Goldfields to be paid as soon as it is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of European Goldfields but in priority to its shareholders.

European Goldfields Shareholders should consult their legal advisors with respect to the legal rights available to them in relation to the Arrangement and the Dissent Rights.

All Notices of Objection to the Arrangement pursuant to Section 193 of the YBCA should be sent to the Company:

c/o Macdonald & Company
200 - 204 Lambert Street
Whitehorse, Yukon Territory Y1A 3T2
Attention: Gareth C. Howells
Fax: 867-667-7600
Email: ghowells@anton.yk.ca

CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

General

The following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations generally applicable under the ITA in respect of the Arrangement to a beneficial owner of European Goldfields Shares who: (i) at all relevant times, deals at arm's length with European Goldfields and Eldorado for purposes of the ITA; (ii) is not affiliated with European Goldfields or Eldorado for the purposes of the ITA; and (iii) at all relevant times holds European Goldfields Shares and Eldorado Shares to be received under the Arrangement as capital property for purposes of the ITA. European Goldfields Shares and Eldorado Shares will generally constitute capital property to a holder thereof unless such securities are held in the course of carrying on a business of buying and selling securities or in connection

with an adventure in the nature of trade. Certain European Goldfields Shareholders resident in Canada within the meaning of the ITA whose European Goldfields Shares or Eldorado Shares might not otherwise qualify as capital property may in certain circumstances be entitled to make an irrevocable election in accordance with subsection 39(4) of the ITA to have their European Goldfields Shares, Eldorado Shares and any other “Canadian security” (as defined in the ITA) owned in the taxation year of the election and in all subsequent taxation years deemed to be capital property.

This summary is based upon the provisions of the ITA in force as of the date hereof and European Goldfields’ understanding of the current published administrative policies and assessing practices of the Canada Revenue Agency (the “CRA”). This summary takes into account all specific proposals to amend the ITA that have been publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the “**Proposed Amendments**”) and assumes that the Proposed Amendments will be enacted in the form proposed, although there is no certainty that the Proposed Amendments will be enacted in the form proposed or at all.

This summary is not exhaustive of all possible Canadian federal income tax considerations applicable in respect of the Arrangement and, except for the Proposed Amendments, does not take into account or anticipate any changes in the law, whether by legislative, regulatory or judicial action, or changes in the administrative or assessing practices of the CRA. This summary does not take into account any provincial, territorial or foreign tax considerations, which may differ significantly from the Canadian federal income tax considerations discussed herein.

This summary is not applicable to: (i) a European Goldfields Shareholder that is a “financial institution” for purposes of the “mark-to-market rules” in the ITA or a “specified financial institution”, for purposes of the ITA; (ii) a European Goldfields Shareholder, an interest in which is a “tax shelter investment” under the ITA; (iii) a European Goldfields Shareholder who has acquired or who will acquire European Goldfields Shares or Eldorado Shares on the exercise of an employee stock option received in respect of, in the course of, or by virtue of, employment; (iv) a European Goldfields Shareholder that has elected to report its “Canadian tax results” (as defined in the ITA) in a currency other than Canadian currency; or (v) a European Goldfields Optionholder. Such European Goldfields Securityholders should consult their own tax advisors.

This summary is of a general nature only and is not intended to be, and should not be construed to be, legal, business or tax advice to any particular European Goldfields Shareholder. Consequently, European Goldfields Shareholders are urged to obtain independent tax advice in respect of the consequences to them of the Arrangement having regard to their particular circumstances. The consequences of an exchange of European Goldfields Options for Eldorado Replacement Options are not discussed herein and, accordingly, holders of unexercised European Goldfields Options are urged to consult their own tax advisors.

Eligibility for Investment

Provided Eldorado Shares to be issued pursuant to the Arrangement or issued on exercise of Eldorado Replacement Options, respectively, are listed on a designated stock exchange at such time (which currently includes the TSX and the NYSE), such Eldorado Shares would, if issued at such time, be qualified investments under the ITA for a trust governed by a registered retirement savings plan (“RRSP”), a registered retirement income fund (“RRIF”), a deferred profit sharing plan, a registered education savings plan, a registered disability savings plan and a tax-free savings account (“TFSA”) (collectively, “**Registered Plans**”), all as defined in the ITA.

Notwithstanding the foregoing, a holder or annuitant of a TFSA, RRSP or RRIF will be subject to a penalty tax if Eldorado Shares are held in a TFSA, RRSP, or RRIF, as applicable, and are “prohibited investments” for the TFSA, RRSP, or RRIF under the ITA. However, the Eldorado Shares, respectively, will not be prohibited investments for a TFSA, RRSP or RRIF held by a holder provided the holder or annuitant, as applicable, deals at arm’s length with Eldorado for the purposes of the ITA, and does not have a “significant interest” (as defined in the ITA) in either Eldorado or a person or partnership that does not deal at arm’s length with Eldorado for purposes of the ITA. Holders should consult their own tax advisors as to whether Eldorado Shares will be prohibited investments in their particular circumstances.

Currency Conversion

For purposes of the ITA, all amounts relating to the acquisition, holding or disposition of European Goldfields Shares and Eldorado Shares which are not denominated in Canadian dollars must be converted into Canadian dollars based on the exchange rate (as determined in accordance with the ITA) applicable on the effective date of the related acquisition, disposition or recognition of income.

European Goldfields Shareholders Resident in Canada

The following portion of this summary is generally applicable to a European Goldfields Shareholder who, for purposes of the ITA and at all relevant times: (i) is or is deemed to be resident in Canada; (ii) is not exempt from tax under Part I of the ITA; and (iii) is not excluded from this summary by the comments in “Canadian Federal Income Tax Considerations – General” above (a “**Resident Shareholder**”).

Exchange of European Goldfields Shares for Eldorado Shares – No Section 85 Election

As part of the Arrangement, each European Goldfields Share will be exchanged for 0.85 Eldorado Shares and \$0.0001 in cash.

A Resident Shareholder whose European Goldfields Shares are exchanged for Eldorado Shares pursuant to the Arrangement, and who does not make a valid Tax Election (as defined below) jointly with Eldorado with respect to the exchange, will be considered to have disposed of those European Goldfields Shares for proceeds of disposition equal to the aggregate fair market value, as at the time of the exchange, of the Eldorado Shares and amount of cash so acquired by the Resident Shareholder. As a result, the Resident Shareholder will generally realize a capital gain (or capital loss) to the extent that such proceeds of disposition, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of the Resident Shareholder’s European Goldfields Shares immediately before the exchange. See “Taxation of Capital Gains and Capital Losses” below for a general discussion of the treatment of capital gains and capital losses under the ITA.

The cost to the Resident Shareholder of the Eldorado Shares acquired on the exchange will equal the fair market value of such Eldorado Shares as at the time of the exchange. If the Resident Shareholder separately owns other Eldorado Shares as capital property at that time, the adjusted cost base of all Eldorado Shares owned by the Resident Shareholder as capital property immediately after the exchange will be determined by averaging the cost of the Eldorado Shares acquired on the exchange with the adjusted cost base of those other Eldorado Shares.

Exchange of European Goldfields Shares for Eldorado Shares – Section 85 Election

The following applies to a Resident Shareholder who is an “**Eligible Holder**”. An Eligible Holder is a beneficial owner of European Goldfields Shares who is (a) resident in Canada for the purposes of the ITA and is not exempt from tax under Part I of the ITA, or (b) a partnership, any member of which is resident in Canada for the purposes of the ITA (other than a partnership, all members of which that are resident in Canada are exempt from tax under Part I of the ITA). An Eligible Holder who elects pursuant to section 85 of the ITA may obtain a full or partial tax deferral in respect of the disposition of European Goldfields Shares as a consequence of a filing with the CRA (and, where applicable, with a provincial tax authority) of an election (the “**Tax Election**”) under subsection 85(1) of the ITA or, in the case of a partnership, under subsection 85(2) of the ITA provided all members of the partnership jointly elect, (and the corresponding provisions of any applicable provincial tax legislation) made jointly by the Eligible Holder and Eldorado. The amount specified in the Tax Election as the proceeds of disposition of the Eligible Holder’s European Goldfields Shares must be an amount (the “**Elected Amount**”) which is not less than the lesser of the adjusted cost base to the Eligible Holder of such European Goldfields Shares and the fair market value of such European Goldfields Shares at the time of disposition. An Elected Amount which does not comply with these limitations will automatically be adjusted under the ITA so that it is in compliance.

Where a valid Tax Election is filed, European Goldfields Shares that are the subject of the Tax Election will be deemed to be disposed of for proceeds of disposition equal to the Elected Amount. Subject to the limitations set out in subsection 85(1) or 85(2) of the ITA regarding the Elected Amount, if the Elected Amount is equal to the aggregate of the adjusted cost base of such European Goldfields Shares immediately before the disposition and any reasonable costs of disposition, no capital gain or capital loss will be realized by the Eligible Holder. Subject to such limitations, to the extent that the Elected Amount in respect of such European Goldfields Shares exceeds (or is less than) the aggregate of the adjusted cost base and any reasonable costs of disposition, such holder will realize a capital gain (or a capital loss). See “Taxation of Capital Gains and Capital Losses” below.

Eldorado has agreed to make a Tax Election pursuant to subsection 85(1) or 85(2) of the ITA (and any similar provision of any provincial tax legislation) with an Eligible Holder at the amount determined by such Eligible Holder, subject to the limitations set out in subsection 85(1) and 85(2) of the ITA (or any applicable provincial tax legislation).

A tax instruction letter providing certain instructions on how to complete the Tax Election forms may be obtained from the Depositary by checking the appropriate box on the Transmittal Letter and submitting the Transmittal Letter to the Depositary within 30 days of the Effective Date in accordance with the procedures set out in under the heading “The Arrangement – Arrangement Mechanics – Letters of Transmittal”.

In order to make an election, an Eligible Holder must provide the necessary information in accordance with the procedures set out in the tax instruction letter on or before 90 days after the Effective Date. The information will include the number of European Goldfields Shares transferred, the consideration received and the applicable Elected Amount for the purposes of such election. Subject to the information complying with the provisions of the ITA (and any applicable provincial income tax law), a copy of the election form containing the information provided will be signed by Eldorado and returned to the Eligible Holder for filing with the CRA (or the applicable provincial tax authority). Each Eligible Holder is solely responsible for ensuring the Tax Election is completed correctly and filed with the CRA (and any applicable provincial income tax authorities) by the required deadline.

Eldorado will make a Tax Election only with an Eligible Holder, and at the amount selected by the Eligible Holder subject to the limitations set out in the ITA (and any applicable provincial tax legislation). Neither Eldorado nor European Goldfields will be responsible for the proper completion or filing of any election form and the Eligible Holder will be solely responsible for the payment of any late filing penalty. Eldorado agrees only to execute any election form containing information provided by the Eligible Holder which complies with the provisions of the ITA (and any applicable provincial tax law) and to return such election form to the Eligible Holder for filing with the CRA (and any applicable provincial tax authority). At its sole discretion, Eldorado may accept and execute an election form that is not received within the 90 day period; however, no assurances can be given that Eldorado will do so. Accordingly, all Eligible Holders who wish to make a joint election with Eldorado should give their immediate attention to this matter. **With the exception of execution of the election form by Eldorado, compliance with the requirements for a valid Tax Election will be the sole responsibility of the Eligible Holder making the election.** Accordingly, neither Eldorado, European Goldfields nor the Depositary will be responsible or liable for taxes, interest, penalties, damages or expenses resulting from the failure by anyone to provide information necessary for the election in accordance with the procedures set out in the tax instruction letter, to properly complete any election or to properly file it within the time prescribed and in the form prescribed under the ITA (or the corresponding provisions of any applicable provincial tax legislation).

In order for the CRA (and where applicable the provincial revenue authorities) to accept a Tax Election without a late filing penalty being paid by an Eligible Holder, the election form must be received by such revenue authorities on or before the day that is the earliest of the days on or before which either Eldorado or the Eligible Holder is required to file an income tax return for the taxation year in which the disposition occurs. Eldorado's 2012 taxation year is scheduled to end on December 31, 2012, although Eldorado's taxation year could end earlier as a result of an event such as an amalgamation, and its tax return is required to be filed within six months from the end of the taxation year. Eligible Holders are urged to consult their own advisors as soon as possible respecting the deadlines applicable to their own particular circumstances.

However, regardless of such deadlines, information necessary for an Eligible Holder to make a Tax Election must be received by Eldorado in accordance with the procedures set out in the tax instruction letter no later than 90 days after the Effective Date.

Any Eligible Holder who does not ensure that information necessary to make an election has been received in accordance with the procedures set out in the tax instruction letter on or before 90 days after the Effective Date will not be able to benefit from the tax deferral provisions of the ITA (or the corresponding provisions of any applicable provincial tax legislation). Accordingly, all Eligible Holders who wish to enter into a Tax Election with Eldorado should give their immediate attention to this matter. The instructions for requesting a tax instruction letter are set out in the Transmittal Letters. Eligible Holders are referred to Information Circular 76-19R3 and Interpretation Bulletin IT-291R3 issued by the CRA for further information respecting the Tax Election. Eligible Holders wishing to make the Tax Election should consult their own tax advisors. An Eligible Holder who does not make a valid election under section 85 of the ITA (or the corresponding provisions of any applicable provisional tax legislation) may realize a capital gain. The comments herein with respect to the Tax Election are provided for general assistance only. The law in this area is complex and contains numerous technical requirements.

Receipt of Dividends on Eldorado Shares

A Resident Shareholder who receives dividends on Eldorado Shares will be subject to the normal treatment under the ITA applicable to dividends received from a taxable Canadian corporation. Where a

Resident Shareholder is an individual (other than certain trusts), any dividend will be included in computing that Resident Shareholder's income and will be subject to the gross-up and dividend tax credit rules normally applicable to dividends received from taxable Canadian corporations, including the enhanced gross-up and dividend tax credit for eligible dividends (as defined in the ITA) paid by "taxable Canadian corporations" such as Eldorado, where these dividends have been designated as eligible dividends by the dividend-paying corporation in accordance with the provisions of the ITA. There may be limitations on the ability of Eldorado to designate dividends as eligible dividends.

In the case of a Resident Shareholder that is a corporation, any dividend will be included in income and generally will be deductible in computing taxable income. A "private corporation" or a "subject corporation" (as defined in the ITA) may be liable for refundable tax under Part IV of the ITA on any dividends received or deemed to be received on Eldorado Shares.

Taxable dividends received by an individual or trust, other than certain specified trusts, may give rise to a liability for alternative minimum tax as calculated under the detailed rules set out in the ITA.

Disposition of Eldorado Shares

Generally, a Resident Shareholder who disposes of or is deemed to have disposed of a Eldorado Share will realize a capital gain or sustain a capital loss, as the case may be, equal to the amount by which the proceeds of disposition in respect of such Eldorado Share exceeds or is exceeded by the aggregate of the adjusted cost base of each such Eldorado Share and any reasonable costs of disposition. In the case of a Resident Shareholder that is a corporation, trust or partnership, the amount of any capital loss otherwise determined resulting from the disposition of Eldorado Shares may be reduced by the amount of dividends previously received (or deemed to be received) on such shares to the extent and under the circumstances prescribed in the ITA.

Capital gains realized by an individual or a trust, other than certain specified trusts, may result in the individual or trust paying alternative minimum tax under the ITA. Resident Shareholders should consult their own tax advisors with respect to the alternative minimum tax provisions.

Taxation of Capital Gains and Capital Losses

Generally, one-half of any capital gain (a "**taxable capital gain**") realized by a Resident Shareholder must be included in income in the taxation year in which it is realized. Subject to and in accordance with the provisions of the ITA, where a disposition gives rise to a capital loss to a Resident Shareholder, one-half of the amount of the loss (an "**allowable capital loss**") realized by the Resident Shareholder in a taxation year must generally be deducted from taxable capital gains realized by the Resident Shareholder in that year. Allowable capital losses in excess of taxable capital gains for a particular taxation year may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years to the extent and under the circumstances described in the ITA.

Taxable capital gains realized by a Resident Shareholder that is a "Canadian-controlled private corporation" (as defined in the ITA) may be subject to an additional refundable tax of 6 $\frac{2}{3}$ %.

Resident Dissenting Shareholders

A Resident Dissenting Shareholder may be entitled, if the Arrangement becomes effective, to receive the fair value of the European Goldfields Shares held by the Resident Dissenting Shareholder. The Resident Dissenting Shareholder will be considered to have disposed of the European Goldfields Shares for proceeds of disposition equal to the amount paid to such Resident Dissenting Shareholder less an amount in respect of interest, if any, awarded by the Court. Resident Dissenting Shareholders may realize a capital gain (or sustain a capital loss) in respect of such disposition to the extent such proceeds of disposition exceed (or are exceeded by) the aggregate of the adjusted cost base of such shares and any reasonable costs of disposition (see "Taxation of Capital Gains and Capital Losses" above).

Any interest awarded to a Canadian Resident Dissenting Shareholder by the Court will be included in the Resident Dissenting Shareholder's income for the purposes of the ITA and, where the Resident Dissenting Shareholder is a "Canadian-controlled private corporation" (as defined in the ITA) the Resident Dissenting Shareholder may be liable for an additional refundable tax of 6 ²/₃% in respect of any such interest.

European Goldfields Shareholders Not Resident in Canada

The following portion of the summary is generally applicable to a European Goldfields Shareholder who, at all relevant times, for purposes of the ITA: (i) is not resident, nor deemed to be resident, in Canada for purposes of the ITA; (ii) does not and will not use or hold or be deemed to use or hold European Goldfields Shares or Eldorado Shares in the course of carrying on business in Canada; and (iii) is not excluded from the summary by the comments in "Canadian Federal Income Tax Considerations - General", above (a "**Non-Resident Shareholder**"). Special rules, which are not discussed below, may apply to a non-resident of Canada that is an insurer which carries on business in Canada and elsewhere. Non-Resident Shareholders should obtain tax advice on any foreign tax consequences of the Arrangement based upon their particular circumstances.

Exchange of European Goldfields Shares for Eldorado Shares

A Non-Resident Shareholder will not be subject to tax under the ITA in respect of any capital gain realized on a disposition of European Goldfields Shares pursuant to the Arrangement provided that such shares are not and are not deemed to be "taxable Canadian property" (as defined in the ITA) of the Non-Resident Shareholder.

Generally, a share of a corporation listed on a designated stock exchange (which includes the TSX and the NYSE) owned by a Non-Resident Shareholder will not be taxable Canadian property of that Non-Resident Shareholder unless at any time during the 60-month period preceding the disposition the Non-Resident Shareholder, persons with whom the Non-Resident Shareholder does not deal at arm's length, or the Non-Resident Shareholder together with all such persons owned 25% or more of the issued shares of any class or series of the corporation at a time when more than 50% of the fair market value of the shares was derived directly or indirectly from one or any combination of real or immovable property situated in Canada, "Canadian resource properties", "timber resource properties" (each as defined in the ITA), and options in respect of, or interests in, or for civil law rights in, any such properties. Notwithstanding the foregoing, in certain circumstances set out in the ITA, a share could be deemed to be taxable Canadian property of the Non-Resident Shareholder.

Non-Resident Shareholders who hold or may hold European Goldfields Shares as taxable Canadian property should consult their own tax advisors. Even if European Goldfields Shares are taxable Canadian property to a Non-Resident Shareholder at a particular time, such holder may be exempt from tax on any gain under the ITA by virtue of an income tax treaty or convention to which Canada is a signatory. In the case of a Non-Resident Shareholder that is a resident of the United States for the purposes of the Canada-United States Income Tax Convention (the “**U.S. Treaty**”) and that is entitled to benefits under the U.S. Treaty, any gain realized by the Non-Resident Shareholder on a disposition of European Goldfields Shares that would otherwise be subject to tax under the ITA will be exempt from tax pursuant to the U.S. Treaty provided that the value of the European Goldfields Shares is not derived principally from real property situated in Canada at the time of disposition.

Receipt of Dividends on Eldorado Shares

Where a Non-Resident Shareholder of Eldorado Shares receives or is deemed to receive a dividend on such shares, the amount thereof will be subject to Canadian withholding tax at the rate of 25% of the gross amount of the dividend unless the rate is reduced under the provisions of an applicable income tax convention between Canada and the Non-Resident Shareholder’s country of residence. In the case of a Non-Resident Shareholder that is the beneficial owner of dividends, who is a resident of the United States for purposes of the U.S. Treaty and who is entitled to benefits under the U.S. Treaty, the rate of withholding will generally be reduced to 15%.

Disposition of Eldorado Shares

A Non-Resident Shareholder will not be subject to tax under the ITA in respect of any capital gain realized on the disposition or deemed disposition of Eldorado Shares provided that such securities are not and are not deemed to be “taxable Canadian property” (as defined in the ITA) of the Non-Resident Shareholder.

Whether shares of a corporation constitute taxable Canadian property is discussed above (see “Exchange of European Goldfields Shares for Eldorado Shares”). Non-Resident Shareholders who will or may hold Eldorado Shares as taxable Canadian property should consult their own tax advisors.

Non-Resident Dissenting European Goldfields Shareholders

A Non-Resident Dissenting Shareholder may be entitled, if the Arrangement becomes effective, to receive the fair value of the European Goldfields Shares held by the Non-Resident Dissenting Shareholder. A Non-Resident Dissenting Shareholder who receives interest, if any, awarded by the Court consequent upon the exercise of Dissent Rights will not be subject to Canadian withholding tax thereon provided that such interest is not “participating debt interest” as defined in the ITA.

The Non-Resident Dissenting Shareholder will also be considered to have disposed of its European Goldfields Shares for proceeds of disposition equal to the amount paid to such Non-Resident Dissenting Shareholder less an amount in respect of interest, if any, awarded by the Court.

The Non-Resident Dissenting Shareholder will not be subject to tax under the ITA in respect of any capital gain realized on the disposition of European Goldfields Shares provided, however, that such shares are not and are not deemed to be “taxable Canadian property” as defined in the ITA of the Non-Resident Dissenting Shareholder. Whether shares of a corporation constitute taxable Canadian property is discussed above (see “Exchange of European Goldfields Shares for Eldorado Shares”). Non-Resident

Dissenting Shareholders who will or may hold European Goldfields Shares as taxable Canadian property should consult their own tax advisors.

CERTAIN MATERIAL UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

TO ENSURE COMPLIANCE WITH TREASURY DEPARTMENT CIRCULAR 230, YOU ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF FEDERAL TAX ISSUES IN THIS CIRCULAR IS NOT INTENDED OR WRITTEN TO BE RELIED UPON, AND CANNOT BE RELIED UPON, BY YOU FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON YOU UNDER THE INTERNAL REVENUE CODE; (B) SUCH DISCUSSION IS BEING USED IN CONNECTION WITH THE PROMOTION OR MARKETING (WITHIN THE MEANING OF CIRCULAR 230) BY THE ISSUERS OF THE TRANSACTION OR MATTERS ADDRESSED HEREIN; AND (C) YOU SHOULD SEEK ADVICE BASED ON YOUR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

The following discussion summarizes certain material U.S. federal income tax considerations relating to the disposition of European Goldfields Shares pursuant to the Arrangement and the subsequent ownership and disposition of Eldorado Shares by a U.S. holder (as defined below) holding such European Goldfields or Eldorado securities as capital assets (generally, property held for investment). This summary is based on the Internal Revenue Code of 1986, as amended (the “Code”), Treasury regulations, administrative pronouncements of the United States Internal Revenue Service (the “IRS”) and judicial decisions, all as in effect on the date hereof, and all of which are subject to change (possibly with retroactive effect) and to differing interpretations. This summary does not describe any state, local or non-U.S. tax law considerations, or any aspect of U.S. federal tax law other than income taxation. This summary also does not describe the U.S. tax consequences applicable to U.S. holders owning options issued by European Goldfields. U.S. holders are urged to consult their own tax advisors regarding such matters.

No legal opinion from U.S. legal counsel or ruling from the IRS has been requested, or will be obtained, regarding the U.S. federal income tax consequences of the Arrangement and the ownership and disposition of Eldorado Shares received pursuant to the Arrangement. This summary is not binding on the IRS, and the IRS is not precluded from taking a position that is different from, and contrary to, the positions taken in this summary. In addition, because the authorities on which this summary is based are subject to various interpretations, the IRS and the U.S. courts could disagree with one or more of the positions taken in this summary.

This summary does not purport to address all U.S. federal income tax consequences that may be relevant to a U.S. holder as a result of the disposition of European Goldfields Shares under the Arrangement or as a result of ownership or disposition of Eldorado Shares, and does not take into account the specific circumstances of any particular investors, some of which may be subject to special tax rules (including, but not limited to, tax-exempt entities, banks or other financial institutions, insurance companies, broker-dealers, traders in securities that elect to use a mark-to-market method of accounting for their securities holdings, regulated investment companies, real estate investment trusts, U.S. expatriates, investors liable for the alternative minimum tax, partnerships and other pass-through entities and investors in such entities, persons who are residents or have a permanent establishment in Canada, investors that own or are treated as owning (or owned or are treated as having owned) 5% or more of European Goldfields’ or Eldorado’s stock (by voting power or value), investors that hold a European Goldfields or Eldorado security as part of a straddle, hedge, conversion or constructive sale transaction or other integrated transaction, and U.S. holders whose functional currency is not the U.S. dollar).

As used in this summary, a “**U.S. holder**” is a beneficial owner of European Goldfields Shares that will receive Eldorado Shares under the Arrangement and that is, for U.S. federal income tax purposes, (i) a citizen or individual resident of the United States, (ii) a corporation (or an entity taxable as a corporation) created or organized under the laws of the United States, any state thereof or the District of Columbia, (iii) an estate, the income of which is subject to U.S. federal income tax without regard to its source, or (iv) a trust if (1) a court within the United States is able to exercise primary supervision over the administration of the trust, and one or more U.S. persons have the authority to control all substantial decisions of the trust, or (2) the trust has an election in effect under applicable U.S. Treasury Regulations to be treated as a U.S. person.

This summary is of a general nature only. It is not intended to constitute, and should not be construed to constitute, legal or tax advice to any particular holder. Holders should consult their own tax advisors as to the tax considerations applicable to them in their particular circumstances.

Characterization of the Arrangement Transactions

This summary assumes that the exchange of the European Goldfields Shares for Eldorado Shares and nominal cash, the contribution of the European Goldfields Shares to Eldorado Holdco in exchange for common shares of Eldorado Holdco and the amalgamation of Eldorado Holdco and European Goldfields (the “**Arrangement Transactions**”) will be treated for U.S. federal income tax purposes as a single, integrated transaction. Assuming the Arrangement Transactions are so treated and subject to the PFIC rules discussed below, European Goldfields intends, to the extent required, to report the Arrangement Transactions as a tax-deferred reorganization within the meaning of section 368(a) of the Code (a “**Reorganization**”). Because the determination of whether the Arrangement Transactions will qualify as a Reorganization depends on the resolution of complex issues and facts, there can be no assurance that the Arrangement Transactions will qualify as a Reorganization. In addition, since the Arrangement Transactions will be effected pursuant to applicable provisions of Canadian corporate law that are not identical to analogous provisions of U.S. corporate law, there can be no assurance that the IRS or a U.S. court would not take the view that the Arrangement Transactions do not qualify as a Reorganization. European Goldfields has not sought or obtained an opinion from a tax adviser or a ruling from the IRS regarding the U.S. federal income tax treatment of the Arrangement Transactions and there can be no assurance that the IRS will not challenge, or that the U.S. courts will uphold, the status of the Arrangement Transactions as a Reorganization in the event of such an IRS challenge. The U.S. federal income tax consequences of the Arrangement Transactions qualifying as a Reorganization are discussed below. U.S. holders should consult their own U.S. tax advisors regarding the proper tax treatment and reporting of the Arrangement Transactions.

Tax Consequences if the Arrangement Transactions Qualify as a Reorganization

If the Arrangement Transactions qualify as a Reorganization, and the PFIC rules discussed below do not apply, then the following U.S. federal income tax consequences will result for U.S. holders:

- (a) a U.S. holder of European Goldfields Shares who exchanges European Goldfields Shares for Eldorado Shares and Canadian dollars will recognize gain (but not loss) to the extent of the lesser of (i) the excess of the fair market value of the Eldorado Shares and the U.S. dollar value of the Canadian dollars on the date of receipt over the adjusted tax basis of the European Goldfields Shares surrendered, and (ii) the U.S. dollar value of the Canadian dollars on the date of receipt;

- (b) the aggregate tax basis of a U.S. holder in the Eldorado Shares acquired in exchange for European Goldfields Shares pursuant to the Arrangement Transactions will be equal to such U.S. holder's aggregate tax basis in the European Goldfields Shares surrendered in exchange therefore, increased by the amount of gain recognized and decreased by the U.S. dollar value of the Canadian dollars on the date of receipt;
- (c) the holding period of a U.S. holder for the Eldorado Shares acquired in exchange for European Goldfields Shares pursuant to the Arrangement Transactions will include such U.S. holder's holding period for European Goldfields Shares; and
- (d) U.S. holders who exchange European Goldfields Shares for Eldorado Shares pursuant to the Arrangement Transactions generally will be required to report certain information to the IRS on their U.S. federal income tax returns for the tax year in which the Arrangement Transactions occur, and to retain certain records related to the Arrangement Transactions.

Dissenting U.S. Holders

Subject to the potential application of the PFIC rules discussed below, a U.S. holder of European Goldfields Shares that exercises Dissent Rights in connection with the Arrangement and that is paid cash denominated in Canadian dollars in exchange for all of such U.S. holder's European Goldfields Shares generally will recognize gain or loss in an amount equal to the difference, if any, between (a) the U.S. dollar value of the Canadian dollars received by such U.S. holder in exchange for the European Goldfields Shares (other than amounts, if any, that are or are deemed to be interest for U.S. federal income tax purposes, which amounts would be taxed as ordinary income) and (b) the tax basis of such U.S. holder in such European Goldfields Shares surrendered (as determined in U.S. dollars). Such gain or loss generally will be capital gain or loss, which would be long-term capital gain or loss if such European Goldfields Shares were held for more than one year. For non-corporate U.S. holders, the United States income tax rate applicable to net long-term capital gain will not exceed 15% for taxable years beginning prior to January 1, 2013. The deductibility of capital losses is subject to limitations. Any gain or loss resulting from currency exchange fluctuations that occur during the period from the date on which any Canadian dollars are received to the date such Canadian dollars are actually converted into U.S. dollars would be treated as ordinary income or loss and would be U.S.-source income for foreign tax credit limitation purposes.

Taxation of Distributions to U.S. Holders on Eldorado Shares

In general, subject to the PFIC rules discussed below, a distribution on an Eldorado Share will constitute a dividend for U.S. federal income tax purposes to the extent that it is made from Eldorado's current or accumulated earnings and profits as determined under U.S. federal income tax principles. If a distribution exceeds the amount of Eldorado's current and accumulated earnings and profits, it will be treated as a non-taxable return of capital to the extent of the U.S. holder's tax basis in the Eldorado Share on which it is paid, and to the extent it exceeds that basis it will be treated as a capital gain. For purposes of this discussion, the term "dividend" means a distribution that constitutes a dividend for U.S. federal income tax purposes.

The gross amount of any dividend on an Eldorado Share (which will include the amount of any Canadian taxes withheld) generally will be subject to U.S. federal income tax as foreign source dividend income. The amount of a dividend paid in Canadian dollars will be its value in U.S. dollars based on the prevailing spot market exchange rate in effect on the day that the U.S. holder receives the dividend,

whether or not the dividend is converted into U.S. dollars. A U.S. holder will have a tax basis in any distributed Canadian dollars equal to its U.S. dollar amount on the date of receipt, and any gain or loss realized on a subsequent conversion or other disposition of the Canadian dollars generally will be treated as U.S. source ordinary income or loss. If dividends paid in Canadian dollars are converted into U.S. dollars on the date they are received by a U.S. holder, the U.S. holder generally should not be required to recognize foreign currency gain or loss in respect of the dividend income. Generally, any gain or loss resulting from currency exchange fluctuations during the period from the date the dividend payment is includible to the date such payment is converted into U.S. dollars will be treated as ordinary income or loss and will be income to a U.S. holder from sources within the United States for foreign tax credit limitation purposes.

Dividends will not be eligible for the dividends received deduction allowed to U.S. corporate shareholders in respect of dividends received from other U.S. corporations. Any dividend that an individual receives on an Eldorado Share in a taxable year beginning before January 1, 2013 will be subject to a maximum tax rate of 15% if the dividend is a "qualified dividend." A dividend on Eldorado Shares will be a qualified dividend if (i) (x) Eldorado is eligible for the benefits of a comprehensive income tax treaty with the United States that the IRS has approved for the purposes of the qualified dividend rules, or (y) Eldorado's stock is readily tradable on an established securities market in the United States, (ii) Eldorado was not, in the year prior to the year the dividend was paid, and is not, in the year the dividend is paid, a PFIC, as described below, and (iii) certain additional conditions are met, including certain holding period requirements, the absence of certain risk-reduction transactions and the absence of an election to treat the dividend income as "investment income" pursuant to section 163(d)(4) of the Code. There can be no assurance that dividends on the Eldorado Shares will constitute qualified dividends under the foregoing tests. If a U.S. holder receives a dividend on an Eldorado Share and the dividend is not a qualified dividend, it will be taxed at ordinary rates (subject to the PFIC rules described below).

Any Canadian withholding tax will be treated as a foreign income tax eligible for credit against a U.S. holder's U.S. federal income tax liability, subject to generally applicable limitations under U.S. federal income tax law. For purposes of computing those limitations separately for specific categories of income, a dividend generally will constitute foreign source "passive category income", or in the case of certain holders, "general category income." The rules relating to the determination of the foreign tax credit are complex, and U.S. holders are urged to consult with their own tax advisers to determine whether and to what extent they will be entitled to foreign tax credits as well as with respect to the determination of the foreign tax credit limitation.

Taxation of Capital Gains to U.S. Holders on Eldorado Shares

Subject to the PFIC rules discussed below, on a sale or other taxable disposition of an Eldorado Share, a U.S. holder will recognize capital gain or loss in an amount equal to the difference between the U.S. holder's adjusted basis in the share (determined in U.S. dollar) and the amount realized on the sale or other taxable disposition, each determined in U.S. dollars. Such capital gain or loss will be long-term capital gain or loss if at the time of the sale or other taxable disposition the share has been held for more than one year. For non-corporate U.S. holders, the United States income tax rate applicable to net long-term capital gain will not exceed 15% for taxable years beginning prior to January 1, 2013. The deductibility of capital losses is subject to limitations.

If a Canadian tax is withheld on a sale or other disposition of an Eldorado Share, the amount realized will include the gross amount of the proceeds of that sale or disposition before deduction of the Canadian tax.

Capital gains of a U.S. holder will generally constitute U.S. source income for foreign tax credit purposes (unless otherwise provided in an applicable income tax treaty and an election is properly made under the Code) and as a result of the U.S. foreign tax credit limitation, foreign taxes, if any, imposed upon capital gains in respect of Eldorado Shares may not be currently creditable. Subject to certain conditions, a capital loss recognized by a U.S. holder will generally be allocated against U.S. source income for foreign tax credit purposes. The rules relating to the determination of the foreign tax credit are complex, and U.S. holders are urged to consult their own tax advisers regarding the application of such rules.

With respect to the sale or exchange of an Eldorado Share where consideration is paid other than in U.S. dollars, the amount realized generally will be the U.S. dollar value of the payment received determined on (i) the date of receipt of payment in the case of a cash basis U.S. holder and (ii) the date of disposition in the case of an accrual basis U.S. holder. If the Eldorado Shares are treated as traded on an “established securities market”, a cash basis taxpayer or, if it so elects, an accrual basis taxpayer, will determine the U.S. dollar value of the amount realized by translating the amount received at the spot rate of exchange on the settlement date of the sale. A U.S. holder will have a tax basis in the foreign currency received equal to the U.S. dollar amount realized. Any currency exchange gain or loss realized on a subsequent conversion of the foreign currency into U.S. dollars for a different amount generally will be treated as ordinary income or loss from sources within the United States. However, if such foreign currency is converted into U.S. dollars on the date received by the U.S. holder, a cash basis or electing accrual basis U.S. holder should not recognize any gain or loss on such conversion.

Passive Foreign Investment Company (PFIC) Rules

Special, generally unfavorable, U.S. federal income tax rules apply to United States persons owning shares of a passive foreign investment company (“PFIC”). A non-U.S. corporation generally will be classified as a PFIC for U.S. federal income tax purposes in any taxable year in which, after applying relevant look-through rules with respect to the income and assets of certain subsidiaries, either at least 75 percent of its gross income is “passive income,” or at least 50 percent of the quarterly average value of its gross assets is attributable to assets that produce or are held for the production of “passive income.” For this purpose, passive income generally includes, among other things, dividends, interest, certain rents and royalties and gains from the disposition of assets that give rise to such income. Net gains from commodities transactions generally are treated as passive income unless such gains constitute active business gains from the sale of commodities and “substantially all” of the corporation’s commodities are stock in trade or inventory, depreciable property used in a trade or business, or supplies regularly used or consumed in a trade or business (the “**Active Commodities Exclusion**”).

Based on current operations and financial projections, to the best of its knowledge European Goldfields does not believe that it was a PFIC for the 2010 and 2011 taxable years or will be a PFIC for the current taxable year. However, European Goldfields has not sought or obtained an opinion from a tax adviser or a ruling from the IRS with respect to its PFIC status. Furthermore, European Goldfields cannot confirm its PFIC status for prior years. European Goldfields has also not sought or obtained an opinion from a tax adviser or a ruling from the IRS with respect to Eldorado’s PFIC status. However, the determination of whether or not European Goldfields or Eldorado is a PFIC is based on the application of complex U.S. federal income tax rules (including the Active Commodities Exclusion), which are subject to differing interpretations. Accordingly, there can be no assurance that the IRS will not challenge the determination made by European Goldfields or Eldorado concerning their PFIC status or that European Goldfields or Eldorado was not, or will not be, a PFIC for any taxable year.

Generally, if European Goldfields or Eldorado is or has been treated as a PFIC for any taxable year during a U.S. holder's holding period of either corporation's shares, unless the holder has made a mark-to-market election or a qualified electing fund election ("**QEF Election**") (as described below), any gain or "excess distribution" with respect to the shares of European Goldfields or Eldorado would be allocated ratably over the U.S. holder's holding period. The amounts allocated to the taxable year of the gain or "excess distribution" and to any year before the corporation became a PFIC would be taxed as ordinary income. The amount allocated to each other taxable year would be subject to tax at the highest rate in effect for individuals or corporations in such taxable year, as appropriate, and an interest charge would be imposed on the amount allocated to that taxable year. Distributions made in respect of shares during a taxable year will be "excess distributions" to the extent they exceed 125% of the average of the annual distributions on shares received by the U.S. holder during the preceding three taxable years or the U.S. holder's holding period, whichever is shorter. Rather than being subject to this tax regime, a holder of stock in a PFIC generally may make:

- a QEF Election to be taxed currently on its pro rata portion of the PFIC's ordinary earnings and net capital gain, whether or not such earnings or gain is distributed in the form of dividends or otherwise; or
- a "mark-to-market" election and thereby agree for the year of the election and each subsequent tax year to recognize ordinary gain or loss (but only to the extent of prior ordinary gain recognized) based on the increase or decrease in market value for such taxable year. The holder's tax basis in its PFIC stock would be adjusted to reflect any such income or loss amounts.

In order for U.S. holders to be able to make a QEF Election after the Arrangement Transactions, Eldorado would have to provide certain information regarding pro rata shares of each entity's ordinary earnings and net capital gain. Eldorado currently does not provide and after the Arrangement Transactions does not intend to provide such information in the event that it is classified as a PFIC and, accordingly, U.S. holders will not be able to make a QEF Election in the event that Eldorado is classified as a PFIC. In order for U.S. holders to be able to make a mark-to-market election, the corporation's shares must be "marketable." Eldorado Shares will be "marketable" as long as they are traded in more than de minimis quantities on at least 15 days during each calendar quarter on a qualified exchange. There can be no assurance that the Eldorado Shares will satisfy this requirement.

Furthermore, if European Goldfields qualified as a PFIC for any taxable year during a U.S. holder's holding period, under certain circumstances, the Arrangement Transactions could be taxable to such U.S. holder. In that case, any gain existing in respect of the European Goldfields Shares would be subject to the rules set forth above.

If a U.S. holder owns Eldorado Shares during any year in which Eldorado is a PFIC, the U.S. holder must also file IRS Form 8621 regarding distributions received on Eldorado Shares, any gain realized on such shares, and any "reportable election" in accordance with the instructions to such form. In addition, under recently enacted legislation, each U.S. shareholder of a PFIC is required to file such annual information as is specified by the U.S. Treasury Department, which has not yet enacted regulations or other authority specifying what information must be filed.

U.S. holders should consult their own tax advisors with respect to European Goldfields' and Eldorado's status under the PFIC rules and their potential application to their particular situation and the Arrangement Transactions, including the availability of any elections that may mitigate the application of the PFIC rules if Eldorado is a PFIC after the Arrangement Transactions.

Information Reporting and Backup Withholding

Payments of cash made to U.S. holders under the Arrangement Transactions, including the exercise of a Dissent Right under the Arrangement, and payments of cash or property made to U.S. holders relating to dividends on, or proceeds arising from the sale or other taxable disposition of, an Eldorado Share, generally may be subject to information reporting requirements and may be subject to backup withholding (currently at the rate of 28%) unless the U.S. holder provides an accurate taxpayer identification number or otherwise demonstrates that it is exempt. The amount of any backup withholding collected from a payment to a U.S. holder will be allowed as a credit against the U.S. holder's U.S. federal income tax liability and may entitle the U.S. holder to a refund, provided that certain required information is submitted to the IRS in a timely manner.

In addition, for taxable years beginning after March 18, 2010, new legislation requires certain U.S. holders who are individuals that hold certain foreign financial assets (which may include Eldorado Shares) to report information relating to such assets, subject to certain exceptions. U.S. holders should consult their tax advisors regarding the effect, if any, of this legislation on their ownership and disposition of the Eldorado Shares.

Additional Tax on Investment Income

For taxable years beginning after December 31, 2012, U.S. holders that are individuals, estates or trusts and whose income exceeds certain thresholds will be subject to a 3.8% Medicare contribution tax on unearned income, including, among other things, dividends on, and capital gains from the sale or other taxable disposition of, an Eldorado Share, subject to certain limitations and exceptions.

CERTAIN UNITED KINGDOM INCOME TAX CONSIDERATIONS

The following paragraphs, which are intended as a general guide only, are based on current UK tax legislation and the practice of HM Revenue & Customs ("HMRC") (which may not be binding on HMRC) as at the date of this Circular, both of which are subject to change, possibly with retrospective effect.

They summarize certain limited aspects of the UK tax treatment of the Arrangement and they relate only to the position of European Goldfields Shareholders who are beneficial owners of their European Goldfields Shares, who hold their European Goldfields Shares as an investment (other than under a personal equity plan or an individual savings account) and (except insofar as express reference is made to the treatment of non-UK residents) who are resident, and if an individual, domiciled and ordinarily resident, in the United Kingdom for taxation purposes.

Also, certain categories of shareholders, such as traders, brokers, dealers, banks, financial institutions, insurance companies, investment companies, collective investment schemes, tax-exempt organizations, persons connected with European Goldfields, Eldorado or of any of their respective Subsidiaries, persons holding the shares as part of hedging or conversion transactions, shareholders who have (or are deemed to have) acquired their shares by virtue of an office or employment, shareholders who are or have been officers or employees of European Goldfields, Eldorado or of any of their respective Subsidiaries, and European Goldfields Optionholders, may be subject to special rules and this summary does not apply to such persons. This summary also does not apply to any individual shareholder who owns 10% or more of the issued share capital of European Goldfields.

In addition, the consequences of an exchange of European Goldfields Options for Eldorado Replacement Options are not discussed herein and, accordingly, holders of unexercised European Goldfields Options are strongly advised to consult their own tax advisers.

IF YOU ARE IN ANY DOUBT AS TO YOUR TAXATION POSITION, YOU SHOULD CONSULT AN APPROPRIATE PROFESSIONAL ADVISER IMMEDIATELY.

In this section, unless an express distinction is made, references to “European Goldfields Shares”, “Consideration Shares”, “shares” and “shareholding” should be read as including such shares as are held indirectly by virtue of the holding of European Goldfields CDIs or Eldorado CDIs (as applicable), and references to “European Goldfields Shareholders” and “shareholders” should be read as also referring to European Goldfields CDI Holders.

Tax Consequences of Arrangement

A European Goldfields Shareholder’s liability to UK tax on capital gains will depend on the individual circumstances of the shareholder and on the form of consideration received.

Cash

To the extent that a European Goldfields Shareholder receives cash under the Arrangement, that shareholder will, except in the circumstances set out in the next paragraph, be treated as disposing of European Goldfields Shares which may, depending on the shareholder’s individual circumstances (including the availability of exemptions, reliefs or allowable losses), give rise to a liability to UK tax on capital gains.

If a European Goldfields Shareholder receives cash in addition to Consideration Shares and the amount of cash received is small in comparison with the value of his European Goldfields Shares, the European Goldfields Shareholder will not be treated as having disposed of the shares in respect of which the cash was received. Instead, an amount equal to the amount of such cash will be deducted from the base cost of his Consideration Shares. Under current HMRC practice, any cash payment of £3,000 or less or (if greater) which is 5 percent or less of the market value of a European Goldfields Shareholder’s holding of European Goldfields Shares will generally be treated as small for these purposes.

In all other cases, to the extent that a European Goldfields Shareholder receives cash, the European Goldfields Shareholder will be treated as having made a part disposal of his European Goldfields Shares, with the chargeable gain being computed on the basis of an apportionment of the allowable cost of the holding by reference to the market value of the holding at the time of disposal.

Acquisition of Consideration Shares

To the extent that a European Goldfields Shareholder receives Consideration Shares in exchange for his European Goldfields shares and does not hold (either alone or together with persons connected with him) more than five percent of, or of any class of, shares in or debentures of European Goldfields, although the position is not entirely free from doubt, he should not be treated as having made a disposal of his European Goldfields Shares. Instead, the Consideration Shares should be treated as the same asset as those European Goldfields Shares acquired at the same time and for the same consideration as those shares.

Any European Goldfields Shareholder who holds (either alone or together with persons connected with him) more than five percent of, or of any class of, shares in or debentures of European Goldfields should be treated in the manner described in the preceding paragraph provided that the exchange of European Goldfields Shares for the Consideration Shares is effected for *bona fide* commercial reasons and does not form part of a scheme or arrangements of which the main purpose, or one of the main purposes, is the

avoidance of a liability to United Kingdom capital gains tax or corporation tax. Such shareholders are advised that no application for clearance has been made to HMRC under Section 138 of the Taxation of Chargeable Gains Act 1992 in respect of the Arrangement.

Tax Treatment of Holdings of Consideration Shares

Dividends on Consideration Shares

A United Kingdom resident individual shareholder who receives a dividend from Eldorado will be entitled to a tax credit which may be set off against the shareholder's total income tax liability. The tax credit will be equal to 10% of the aggregate of the dividend (before deduction of any withholding tax) and the tax credit (the "**gross dividend**"). Such an individual shareholder who is liable to income tax at the basic rate will be subject to tax on the dividend at the rate of 10% of the gross dividend, so that the tax credit will satisfy in full such shareholder's liability to income tax on the dividend. In the case of such an individual shareholder who is liable to income tax at the higher rate, the tax credit will be set against but not fully match the shareholder's tax liability on the gross dividend and such shareholder will have to account for additional income tax equal to 22.5% of the gross dividend (which is also equal to 25% of the cash dividend (before deduction of any withholding tax)) to the extent that the gross dividend when treated as the top slice of the shareholder's income falls above the threshold for higher rate income tax. In the case of such an individual shareholder who is subject to income tax at the additional rate, the tax credit will also be set against but not fully match the shareholder's liability on the gross dividend and such shareholder will have to account for additional income tax equal to 32.5% of the gross dividend (which is also equal to approximately 36% of the cash dividend received) to the extent that the gross dividend when treated as the top slice of the shareholder's income falls above the threshold for additional rate income tax.

Withholding tax withheld from the payment of a dividend will generally be available as a credit against the income tax payable by an individual shareholder in respect of the dividend.

A United Kingdom resident individual shareholder who is not liable to income tax in respect of the gross dividend and other United Kingdom resident taxpayers who are not liable to United Kingdom tax on dividends, including pension funds and charities, will not be entitled to claim repayment of the tax credit attaching to dividends paid by Eldorado.

Shareholders who are within the charge to corporation tax in respect of shares in Eldorado will be subject to corporation tax on the gross amount of any dividends paid by Eldorado, subject to any applicable credit for withholding tax, unless (subject to special rules for such shareholders that are small companies) the dividends fall within an exempt class and certain other conditions are met.

Future Disposal of Consideration Shares

A subsequent disposal of Consideration Shares may, depending on individual circumstances (including the availability of exemptions, reliefs and allowable losses), give rise to a liability to UK tax on capital gains.

Any chargeable gain or allowable loss on a disposal of Consideration Shares should be calculated taking into account a proportion of the allowable cost to the holder of acquiring his European Goldfields Shares based on an apportionment of the allowable expenditure for his European Goldfields Shares by reference to the market value of the Consideration Shares on the first day on which market value or prices were quoted or published for the Consideration Shares.

UK Stamp Duty and Stamp Duty Reserve Tax (“SDRT”)

Acceptance of the Arrangement

No UK stamp duty or SDRT should be payable by European Goldfields Shareholders or European Goldfields CDI Holders in respect of the implementation of the Arrangement.

European Goldfields Shareholders – Consideration Shares

For European Goldfields Shareholders, no United Kingdom stamp duty should be payable on the subsequent transfer of Consideration Shares which are not held in CDI form provided that any instrument of transfer is not executed in the United Kingdom, and does not relate to any property situate or to any matter or thing done or to be done, in the United Kingdom. No United Kingdom SDRT will be payable on the issue or subsequent transfer of the Consideration Shares provided that the shares are not registered in any register kept in the United Kingdom.

European Goldfields CDI Holders – Eldorado CDIs

No United Kingdom SDRT should be payable on a transfer or an agreement to transfer Eldorado CDIs, provided and assuming that (A) no register of the underlying Eldorado Shares is kept in the United Kingdom by or on behalf of Eldorado, (B) the Eldorado Shares continue to be listed on a “recognized stock exchange” within the meaning of section 841 of the Income and Corporation Taxes Act 1988, and (C) the central management and control of Eldorado is not exercised in the United Kingdom. **It is not intended that any such register will be kept in the United Kingdom nor that central management and control of the Eldorado Shares will be exercised in the United Kingdom.** No United Kingdom stamp duty should generally be payable on a transfer of Eldorado CDIs on the basis that no written instrument of transfer should generally be executed to effect such transfer.

The above statements are intended as a general guide to the current stamp duty and SDRT position. Certain categories of person are not liable to stamp duty or SDRT and others may be liable at a higher rate or may, although not primarily liable for the tax, be required to notify and account for it under the Stamp Duty Reserve Tax Regulations 1986.

NOTICE TO NON-CANADIAN EUROPEAN GOLDFIELDS SHAREHOLDERS

It is strongly recommended that all Non-Resident Shareholders consult their own legal and tax advisors with respect to the income tax consequences applicable in their place of residency of the disposition of their European Goldfields Shares.

SECURITIES LAWS CONSIDERATIONS

This summary is of a general nature only and is not intended to be, and should not be construed to be, legal or business advice to any particular European Goldfields Shareholder. This summary does not include any information regarding securities law considerations for jurisdictions other than Canada or the United States. European Goldfields Shareholders who reside in a jurisdiction outside of Canada or the United States are urged to obtain independent advice in respect of the consequences to them of the Arrangement having regard to their particular circumstances.

The following is a brief summary of the securities law considerations applicable to the Arrangement and transactions contemplated thereby.

Canadian Securities Laws

Status under Canadian Securities Laws

European Goldfields is a reporting issuer (or the equivalent) in all of the provinces and territories of Canada. European Goldfields Shares currently trade on the TSX and AIM. After the Arrangement, Eldorado intends to delist the European Goldfields Shares from the TSX and AIM, and Eldorado will apply to the applicable Canadian securities regulators to have European Goldfields cease to be a reporting issuer. Eldorado is a reporting issuer in each province of Canada. Eldorado Shares are listed on the TSX and NYSE and Eldorado CHESSE depository interests are listed on the ASX. It is a condition of the Arrangement that the Eldorado Shares issued to European Goldfields Shareholders pursuant to the Arrangement and which are reserved for issue upon exercise of the Eldorado Replacement Options be conditionally listed on the TSX and NYSE.

The issue of Eldorado Shares pursuant to the Arrangement and upon the exercise of the Eldorado Replacement Options will constitute distributions of securities which are exempt from the registration and prospectus requirements of the Canadian Securities Acts. Eldorado Shares may be resold in each province of Canada, provided: (i) that Eldorado is a reporting issuer in a jurisdiction of Canada for the four months immediately preceding the trade; (ii) the trade is not a “control distribution” as defined National Instrument 45-102, Resale of Securities; (iii) no unusual effort is made to prepare the market or create a demand for those securities; (iv) no extraordinary commission or consideration is paid in respect of that trade; and (v) if the selling security holder is an insider or officer of Eldorado (as such terms are defined in the Canadian Securities Acts), the insider or officer has no reasonable grounds to believe that Eldorado is in default of Canadian Securities Laws.

Each European Goldfields Shareholder is urged to consult the holder’s professional advisors with respect to restrictions applicable to trades in Eldorado Shares under Canadian Securities Laws.

Collateral Benefits under MI 61-101

Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”) is intended to regulate certain transactions to ensure equality of treatment among security holders, generally by requiring enhanced disclosure, approval by a majority of security holders excluding interested or related parties and, in certain instances, independent valuations and approval and oversight of the transaction by a special committee of independent directors. The protections of MI 61-101 generally apply to “business combinations” (as defined in MI 61-101) that terminate the interests of security holders without their consent.

MI 61-101 provides that, in certain circumstances, where a “related party” (as defined in MI 61-101) of an issuer is entitled to receive a “collateral benefit” (as defined in MI 61-101) in connection with an arrangement transaction (such as the Arrangement), such transaction may be considered a “business combination” for the purposes of MI 61-101 and subject to minority approval requirements.

A “collateral benefit”, as defined under MI 61-101, includes any benefit that a “related party” of European Goldfields (which includes the directors and senior officers of European Goldfields) is entitled to receive as a consequence of the Arrangement, including, without limitation, an increase in salary, a lump sum payment, a payment for surrendering securities, or other enhancement in benefits related to past or future services as an employee, director or consultant of European Goldfields. However, MI 61-101 excludes from the meaning of “collateral benefit” certain benefits to a related party received solely in

connection with the related party's services as an employee, director or consultant of an issuer or an affiliated entity of the issuer or a successor to the business of the issuer where, among other things, (a) the benefit is not conferred for the purpose, in whole or in part, of increasing the value of the consideration paid to the related party for securities relinquished under the transaction, (b) the conferring of the benefit is not, by its terms, conditional on the related party supporting the transaction in any manner, (c) full particulars of the benefit are disclosed in the disclosure document for the transaction, and (d) at the time the transaction was agreed to, the related party and its associated entities beneficially own or exercise control or direction over less than 1% of the outstanding shares of the issuer.

The employment contracts of certain directors and senior officers of European Goldfields provide for termination payments pursuant to a change of control of European Goldfields. In addition, certain directors and senior officers of European Goldfields hold European Goldfields RSUs and European Goldfields DPUs. If the Arrangement is completed, the vesting of such European Goldfields RSUs is automatically accelerated and the directors will have the option to elect to receive Eldorado Shares rather than cash to settle the amount owing to them under the European Goldfields DPU Plan. In the event no such election is made, non-electing European Goldfields DPU Holders will receive cash payments in accordance with the European Goldfields DPU Plan. Such accelerated vesting and election to receive Eldorado Shares and any termination payments payable to any directors or senior officers of European Goldfields pursuant to a change of control provision in an employment agreement, taken together, may be considered to be "collateral benefits" received by the applicable directors or senior officers of European Goldfields for the purposes of MI 61-101.

Following disclosure by each of the directors and senior officers of European Goldfields of the number of European Goldfields Securities held by them and the total consideration that they expect to receive pursuant to the Arrangement, the European Goldfields Board has determined that no director or senior officer has beneficial ownership of or control or direction over 1% or more of the European Goldfields Shares, as calculated in accordance with MI 61-101. Accordingly, the minority approval requirements of MI 61-101 do not apply to the Arrangement.

European Goldfields is not required to obtain a formal valuation under MI 61-101 as no "interested party" (as defined in MI 61-101) of European Goldfields is, as a consequence of the Arrangement, directly or indirectly acquiring European Goldfields or its business or combining with Eldorado and neither the Arrangement nor the transactions contemplated thereunder is a "related party transaction" (as defined in MI 61-101) for which European Goldfields would be required to obtain a formal valuation.

U.S. Securities Laws

The following discussion is a general overview of certain requirements of U.S. federal and state securities laws applicable to Shareholders. All Shareholders are urged to consult with their own legal advisors to ensure that the resale of Eldorado Shares issued to them under the Arrangement complies with applicable federal and state securities laws. Further information applicable to U.S. Shareholders is disclosed under "Note to United States Shareholders".

Shareholders who resell Eldorado Shares must also comply with Canadian Securities Laws, as outlined above.

Status under U.S. Securities Laws

Each of the Company and Eldorado is a “foreign private issuer” as defined in Rule 3b-4 under the U.S. Exchange Act. The Eldorado Shares to be issued under the Arrangement will be listed on the NYSE.

Exemption Relied Upon from the Registration Requirements of the U.S. Securities Act

The Eldorado Shares, the Eldorado Replacement Options and the Option Shares to be issued by Eldorado pursuant to the Arrangement have not been and will not be registered under the U.S. Securities Act and such issue will, other than the issuance of the Option Shares, be effected in reliance on the Section 3(a)(10) Exemption and corresponding exemptions under the securities laws of each state of the United States in which U.S. Shareholders reside. Section 3(a)(10) of the U.S. Securities Act exempts from registration the offer and sale of a security which is issued in specified exchange transactions where, among other things, the fairness of the terms and conditions of such exchange are approved after a hearing upon the fairness of such terms and conditions at which all persons to whom it is proposed to issue securities in such exchange have the right to appear by a court or governmental authority expressly authorized by law to grant such approval and to hold such a hearing. Accordingly, the Final Order, if granted by the Court, constitutes a basis for the exemption from the registration requirements of the U.S. Securities Act with respect to the Eldorado Shares and Eldorado Replacement Options (but not including the Option Shares) issued in connection with the Arrangement.

Resales of Eldorado Shares within the United States after the Effective Time

The resale rules under the U.S. Securities Act applicable to European Goldfields Shareholders are summarized below.

Non -Affiliates Before and After the Effective Time

European Goldfields Securityholders who are not “affiliates” of Eldorado within 90 days before the Effective Time and will not be affiliates of the Combined Company after the Effective Time may generally resell the Eldorado Shares issued to them on or after the Effective Time without restriction under the U.S. Securities Act, including resales of such shares on the TSX or the NYSE. An “affiliate” of an issuer is a person that directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the issuer. Typically, persons who are executive officers, directors or 10% or greater shareholders of an issuer are considered to be its “affiliates”.

Affiliates Before the Effective Time or Affiliates After the Effective Time

European Goldfields Securityholders who are affiliates of Eldorado within 90 days before the Effective Time or will be affiliates of the Combined Company after the Effective Time will be subject to restrictions on resale imposed by the U.S. Securities Act with respect to the Eldorado Shares issued at the Effective Time. These European Goldfields Securityholders may not resell their Eldorado Shares unless such securities are registered under the U.S. Securities Act or an exemption from registration is available.

Resale of Eldorado Shares Pursuant to Rule 144

In general, under Rule 144 under the U.S. Securities Act, persons who are affiliates of Eldorado within 90 days before the Effective Time or will be affiliates of the Combined Company after the Effective Time will be entitled to sell in the United States, during any three-month period, a portion of the Eldorado Shares that they receive in connection with the Arrangement, provided that the number of such Eldorado Shares

sold, as the case may be, does not exceed the greater of one percent of the then outstanding securities of such class or, if such securities are listed on a United States securities exchange, the average weekly trading volume of such securities during the four-week period preceding the date of sale, subject to specified restrictions on manner of sale, notice requirements, aggregation rules and the availability of current public information about the Combined Company. Persons who are affiliates of the Combined Company will continue to be subject to the resale restrictions described in this paragraph for so long as they continue to be affiliates of the Combined Company.

Resale of Eldorado Shares Pursuant to Regulation S

In general, under Regulation S, persons who are affiliates of Eldorado within 90 days before the Effective Time or will be affiliates of the Combined Company after the Effective Time solely by virtue of their status as an officer or director of the Combined Company may sell Eldorado Shares outside of the United States in an “offshore transaction” (which would include a sale through the TSX, provided that the offer of securities is not made to a person in the U.S., and neither the seller nor any person acting on the seller’s behalf knows the transaction has been prearranged with a buyer in the U.S) if neither the seller nor any person acting on its behalf engages in “directed selling efforts” in the United States and no selling commission, fee or other remuneration is paid in connection with such sale other than a usual and customary broker’s commission. For purposes of Regulation S, “directed selling efforts” means “any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for any of the securities being offered” in the sale transaction. Certain additional restrictions are applicable to a holder of Eldorado Shares or Eldorado Replacement Options who is an affiliate of the Combined Company after the Effective Date other than by virtue of his or her status as an officer or director of the Combined Company.

Eldorado Shares issuable upon the exercise of an Eldorado Replacement Option

The Eldorado Replacement Options may not be assigned or transferred other than in the case of death of the holder, in which case, such Eldorado Replacement Options may be exercised by the personal representative of the holder.

Section 3(a)(10) of the U.S. Securities Act does not exempt the issuance of securities upon the exercise of securities that were issued pursuant to Section 3(a)(10). Therefore, the Option Shares may not be issued in reliance upon Section 3(a)(10) and the Eldorado Replacement Options may be exercised only pursuant to an effective registration statement under the U.S. Securities Act or an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws. Eldorado Replacement Options may be exercised only by a holder who represents that at the time of exercise the holder is not then located in the United States, is not a U.S. Person, and is not exercising the Eldorado Replacement Option for the account or benefit of a U.S. Person or a Person in the United States, unless Eldorado Replacement Options and the Option Shares have been registered under the U.S. Securities Act or the holder provides a legal opinion or other evidence reasonably satisfactory to the Combined Company to the effect that the exercise of the Eldorado Replacement Options does not require registration under the U.S. Securities Act or state securities laws.

Unless the Eldorado Replacement Options and the Option Shares have been registered under the U.S. Securities Act, any Option Shares issuable upon the exercise of the Eldorado Replacement Options in the United States or for the account or benefit of a U.S. Person or a Person in the United States will be “restricted securities” within the meaning of Rule 144 under the U.S. Securities Act, certificates representing such Option Shares will bear a legend to that effect, and such Option Shares may be resold

only pursuant to an exemption from the registration requirements of the U.S. Securities Act and all applicable state securities laws.

Notwithstanding the foregoing, subject to certain limitations, any Option Share may be resold outside the United States without registration under the U.S. Securities Act pursuant to Regulation S under the U.S. Securities Act, including in transactions over the TSX (if the applicable securities are so listed).

INFORMATION PERTAINING TO EUROPEAN GOLDFIELDS

The following information is presented on a pre-Arrangement basis and reflects certain selected information of the Company. See “Information Pertaining to Eldorado” and “Information Pertaining to the Combined Company” for business, financial and share capital information relating to Eldorado and the Combined Company, respectively.

Summary

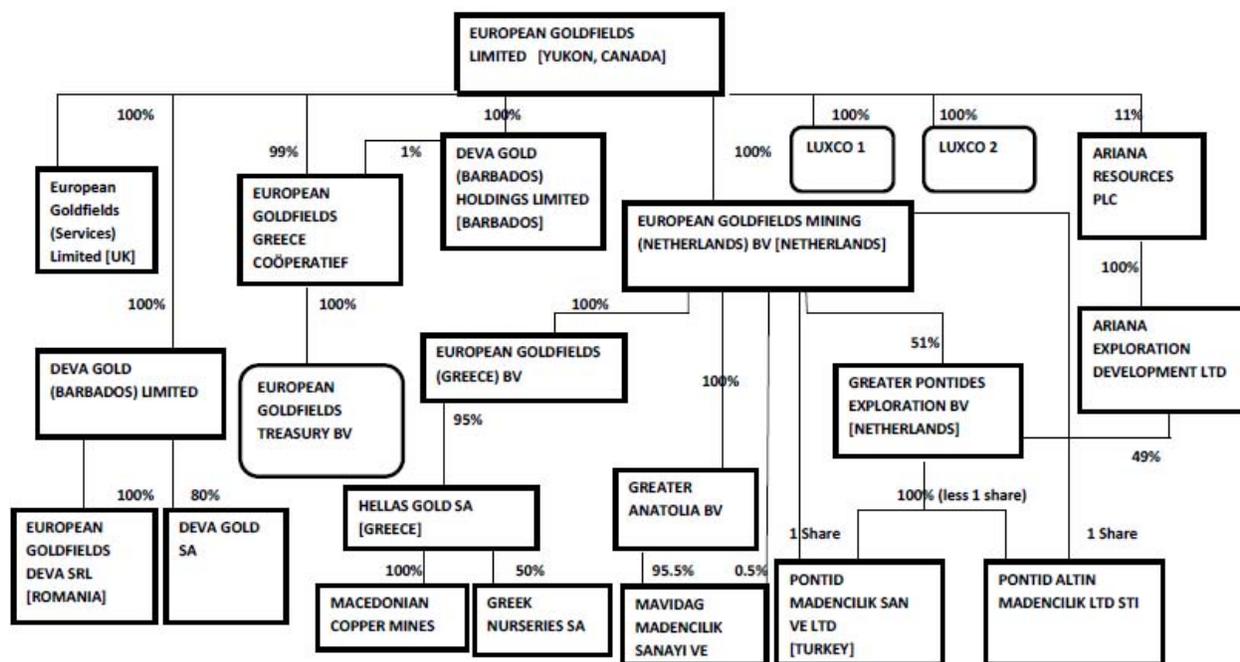
European Goldfields is engaged in the acquisition, exploration, development and production of precious and base metal properties. The Company is currently focused in South-East Europe, specifically Greece, Romania and Turkey, with assets owned through local subsidiaries. The current source of cash flow is from the sale of lead, zinc and silver from the Stratoni mine in Greece.

The Company’s key development properties are Skouries and Olympias in Greece and Certej in Romania, as well as an interest in a portfolio of exploration properties in Greece, Romania and Turkey. European Goldfields plans to build on its operating assets by expanding current mining operations, bringing development projects on stream and advancing its exploration activities.

The Company was incorporated on March 1, 2000 under the YBCA under the name “European Goldfields Limited”. The Company’s registered office is located at Suite 200, Financial Plaza, 204 Lambert Street, Whitehorse, Yukon, Canada Y1A 3T2. The Company’s London office is located at Level 3, 11 Berkeley Street, London, England W1J 8DS.

Intercorporate Relationships

The diagram below sets forth the intercorporate relationships between the Company and its subsidiaries.



NOTES: Full corporate names of:
 LUXCO 1 = European Goldfields (Luxembourg) no.1 Sarl/ LUXCO 2 = European Goldfields (Luxembourg) no.2 Sarl/ Mavidag Madencilik Sanayi Ve = Mavidag Madencilik Sanayi Ve Ticaret Limited Sirketi

Recent Developments

On July 8, 2011 the Greek government announced its approval of the EIS for the development of the Company's Greek assets. Since then, the Company has analyzed various alternatives to secure the capital required to bring the Company's development projects, including its Greek assets, into production, and to allow the Company to accelerate the development of all its projects.

On October 3, 2011 the Company entered into the Heads of Terms with Qatar Holding with respect to the Qatari Transactions. The Qatari Transactions provide for a total debt package of US\$750 million consisting of a US\$600 million seven year senior secured term loan facility and loan note offering of US\$150 million.

On December 22, 2011, the special meeting of shareholders to approve the Qatari Transactions was adjourned until the later of (i) the conclusion of the later of the European Goldfields Meeting and the Eldorado Meeting, (ii) at least ten days following the Effective Date, if the Arrangement is approved by the European Goldfields Shareholders and the Eldorado Resolution is approved by the Eldorado Shareholders, or (iii) such other date as the Parties may agree in writing.

For a more detailed description of the Qatari Transactions please see the management information circular of the Company dated November 23, 2011 which is incorporated by reference into this Circular and available on SEDAR at www.sedar.com.

Price Range and Trading Volumes of the European Goldfields Shares

The European Goldfields Shares are listed on the TSX and AIM under the symbol “EGU”. The following table sets forth the price range and trading volume for the European Goldfields Shares on the TSX for the periods listed below:

| Date | High (C\$) | Low (C\$) | Close (C\$) | Volume (#) |
|------------------------------|------------|-----------|-------------|------------|
| January 1 - January 20, 2012 | 12.83 | 11.60 | 11.65 | 7,708,369 |
| December 2011 | 13.50 | 9.80 | 11.88 | 24,153,456 |
| November 2011 | 11.65 | 8.91 | 9.95 | 7,354,935 |
| October 2011 | 11.50 | 8.53 | 11.22 | 9,650,886 |
| September 2011 | 13.04 | 8.12 | 8.31 | 15,802,496 |
| August 2011 | 12.76 | 10.12 | 11.75 | 9,857,339 |
| July 2011 | 13.84 | 9.87 | 12.08 | 20,962,940 |
| June 2011 | 13.62 | 8.86 | 10.10 | 24,883,064 |
| May 2011 | 13.62 | 10.70 | 13.54 | 14,011,304 |
| April 2011 | 13.50 | 10.10 | 13.16 | 13,571,224 |
| March 2011 | 14.00 | 11.21 | 12.24 | 13,935,716 |
| February 2011 | 17.37 | 11.09 | 12.58 | 19,336,280 |
| January 2011 | 15.89 | 12.89 | 15.00 | 15,976,091 |

The closing price of the European Goldfields Shares on the TSX on January 20, 2012 was Cdn\$11.65. The closing price of the European Goldfields Shares on the TSX on December 16, 2011, the last trading day prior to the announcement of the Arrangement, was Cdn\$11.84.

The following table sets forth the price range and trading volume for the European Goldfields Shares on AIM for the periods listed below:

| Date | High (£) | Low (£) | Close (£) | Volume (#) |
|------------------------------|----------|---------|-----------|------------|
| January 1 - January 20, 2012 | 8.100 | 7.400 | 7.400 | 1,656,738 |
| December 2011 | 8.625 | 6.215 | 7.325 | 2,687,364 |
| November 2011 | 7.095 | 5.510 | 6.200 | 1,103,228 |
| October 2011 | 7.160 | 5.375 | 7.105 | 16,076,089 |
| September 2011 | 8.225 | 5.225 | 5.250 | 2,555,034 |
| August 2011 | 8.010 | 6.450 | 7.350 | 1,900,122 |
| July 2011 | 9.100 | 6.500 | 7.775 | 4,913,775 |
| June 2011 | 8.465 | 5.750 | 6.425 | 3,475,298 |
| May 2011 | 8.440 | 6.950 | 8.425 | 1,822,455 |
| April 2011 | 8.150 | 6.465 | 8.125 | 3,381,693 |
| March 2011 | 8.700 | 7.050 | 7.800 | 3,364,258 |
| February 2011 | 10.78 | 7.050 | 8.150 | 7,359,385 |
| January 2011 | 10.000 | 8.475 | 9.575 | 4,086,824 |

The closing price of the European Goldfields Shares on AIM on January 20, 2012 was £7.40. The closing price of the European Goldfields Shares on AIM on December 16, 2011, the last trading day prior to the announcement of the Arrangement, was £7.65.

Prior Sales

The following table below sets out information regarding the issuance of European Goldfields Shares by the Company during the twelve months prior to the date of this Circular.

| Date | Number of European Goldfields Shares Issued | Price per share/Exercise Price per Security (Cdn\$) | Reason for Issuance |
|---------------|---|---|---|
| March 2011 | 35,011 | 11.36 | Withholdings |
| March 2011 | 15,364 | 11.36 | European Goldfields RSUs Vested |
| March 2011 | 18,375 | 11.36 | European Goldfields RSUs Vested |
| March 2011 | 16,009 | 12.24 | European Goldfields RSUs Vested |
| March 2011 | 1,736 | 12.24 | European Goldfields RSUs Vested |
| March 2011 | 1,967 | 12.24 | European Goldfields RSUs Vested |
| March 2011 | 18,204 | 12.24 | Withholdings |
| April 2011 | 33,858 | 12.38 | Exercise of European Goldfields Options |
| May 2011 | 9,171 | 13.14 | Exercise of European Goldfields Options |
| August 2011 | 3,831 | 11.71 | Withholdings |
| August 2011 | 817 | 11.71 | European Goldfields RSUs Vested |
| August 2011 | 6,518 | 11.86 | Exercise of European Goldfields Options |
| August 2011 | 5,661 | 11.86 | Withholdings |
| November 2011 | 75,000 | 10.27 | European Goldfields RSUs Vested |

The following table below sets out information regarding the issuance of European Goldfields RSUs and European Goldfields Options by the Company during the twelve months prior to the date of this Circular.

| Date | Number of European Goldfields RSUs/European Goldfields Options Issued | Price per share/Exercise Price per Security (Cdn\$) | Reason for Issuance |
|---------------|---|---|---|
| March 2011 | 35,000 | NIL | European Goldfields RSUs Granted |
| May 2011 | 200,000 | 12.65 | European Goldfields Options Granted |
| May 2011 | 200,000 | NIL | European Goldfields RSUs Granted |
| August 2011 | 25,000 | 11.26 | European Goldfields Options Granted |
| November 2011 | 31,874 | NIL | European Goldfields RSUs Granted |
| November 2011 | 17,526 | NIL | European Goldfields RSUs Granted |
| November 2011 | 21,557 | NIL | European Goldfields RSUs Granted |
| December 2011 | 142,239 | NIL | European Goldfields RSUs Granted |
| December 2011 | 343,331 | NIL | European Goldfields RSUs Approved (Not Granted) |

Consolidated Capitalization

The following table sets forth European Goldfields' consolidated capitalization as at September 30, 2011, adjusted to give effect to any material changes in the share capital of European Goldfields since September 30, 2011, the date of European Goldfields' most recent interim consolidated financial statements. The table should be read in conjunction with the interim consolidated financial statements of European Goldfields for the three and nine month periods ended September 30, 2011, including the notes thereto, and management's discussion and analysis thereof and the other financial information contained or incorporated in or incorporated by reference in this Circular.

| | As at September 30, 2011 | As at September 30, 2011 with adjustments for subsequent material changes |
|--|---|--|
| | (in thousands of US dollars) | (in thousands of US dollars) |
| European Goldfields share capital | \$583,958 | N/A |
| | (183,857,340 European Goldfields Shares) | (183,857,340 European Goldfields Shares) |
| Cash, Cash Equivalents, and Short-Term Investments | \$24,309 | N/A |
| Total Debt | \$0 | N/A |

INFORMATION PERTAINING TO ELDORADO

Overview

Based in Vancouver, Canada, Eldorado owns and operates gold mines around the world. Its activities involve all facets of the gold mining industry, including exploration, discovery, development, production and reclamation. Eldorado's business is currently focused on Turkey, China, Brazil and Greece. Eldorado is governed by the Canada Business Corporations Act.

Eldorado is a reporting issuer or the equivalent in all provinces of Canada and files its continuous disclosure documents with the relevant Canadian securities regulatory authorities. Such documents are available at www.sedar.com. Eldorado is also an SEC registrant and accordingly files with or furnishes to the SEC certain documents. Such documents are available at www.sec.gov. In addition, Eldorado is a registrant with the ASX and files with or furnishes to ASX certain documents. Such documents are available at www.ASX.com.au.

Property Information

Since filing the Eldorado AIF, Eldorado has completed updated technical reports on its Tocantinzinho development project in northern Brazil and its Jinfeng gold mine in southwest China. Updated disclosure concerning the Tocantinzinho development project and the Jinfeng gold mine based on these reports is contained in Appendix "H" of this Circular. This disclosure is intended to supersede the information concerning the Tocantinzinho development project and the Jinfeng gold mine contained in the Eldorado AIF.

For information on each of Eldorado's other properties, please refer to the Eldorado AIF which can be obtained through the SEDAR website at www.sedar.com.

Information Respecting Directors and Officers

Information about Eldorado's current directors and officers is as set forth in the Eldorado AIF which is incorporated by reference into this Circular. The following directors were elected or appointed to the Eldorado Board subsequent to the Eldorado AIF.

Michael Price, an independent director of the Eldorado Board was elected to the Eldorado Board on May 5, 2011. Mr. Price B.Sc. Eng (2.1 Hons) – Mining Engineering University College Cardiff; PhD. - Mining Engineering; University College Cardiff; Mine Manager’s Certificate of Competency (Coal Mines, South Africa); Professional engineering qualifications, MIMMM and Eur Ing (FEANI); Mining Finance Consultant and Advisor and London Representative Resource Capital Funds London, United Kingdom since 2006. From 2003 to 2006, Mr. Price served as the Managing Director, Joint Global Head of Mining and Metals of Barclay’s Capital, Managing Director, Global Head of Mining and Metals of Société General, London from 2001 to 2003, Executive Director, Head of Resource Banking and Metals Trading, N.M. Rothschilds & Sons Ltd. from 1989 to 2001; from 1981- 1988 Mr. Price held the position of Mining Engineer, Business & Financial Analyst for British Petroleum PLC.

Tim Baker, an independent director of the Eldorado Board was appointed to the Eldorado Board on May 12, 2011. Mr. Baker, B.Sc (Geology) Edinburgh University, Scotland. Mr. Baker, a senior executive with over 30 years experience in the global mining industry, including running operations and development projects in both underground and open-pit gold, copper and molybdenum mines is the retired Executive Vice President & Chief Operating Officer of Kinross Gold Corporation. Mr. Baker joined Kinross in 2006 after a twenty year tenure with Placer Dome Inc. in various executive roles in Chile, Venezuela, Tanzania, Canada and the U.S.A.

Mr. John Auston, an independent director of the Eldorado Board retired from the Eldorado Board on May 5, 2011.

Mrs. Fabiana Chubbs, was appointed to the position of Chief Financial Officer on June 1, 2011. Mrs. Chubbs joined Eldorado in July 2007 as Treasurer Coordinator and was appointed Treasurer and Risk Manager in July 2008. Mrs. Chubbs is a Chartered Accountant (Canada) and a Certified Public Accountant (Argentina) with over 23 years experience in tax, audit, and business advisory services to international public companies. Mrs. Chubbs holds a Bachelor of Business Administration from the University of Buenos Aires. Prior to joining Eldorado, Mrs. Chubbs was a Senior Manager of PricewaterhouseCoopers’ Audit Group.

Description of Eldorado Shares

The authorized share capital of Eldorado consists of an unlimited number of Eldorado Shares and an unlimited number of Eldorado Non-Voting Shares. As at the Record Date there were: (i) 551,682,917 Eldorado Shares validly issued and outstanding as fully-paid and non-assessable shares of Eldorado; (ii) no Eldorado Non-Voting Shares issued and outstanding; (iii) outstanding Eldorado Options providing for the issuance of 8,644,447 Eldorado Shares upon the exercise thereof; and (iv) 9,274,605 Eldorado CDIs issued and outstanding. Eldorado Shares are listed on the TSX and the NYSE, and the Eldorado CDIs are listed on the ASX.

The holders of Eldorado Shares are entitled to: (i) receive notice of all meetings of Eldorado Shareholders and to attend and vote at the meetings; (ii) cast one vote per Eldorado Share at all meetings of Eldorado Shareholders; (iii) receive dividends as and when declared by the directors of Eldorado; and (iv) receive a pro rata share of the assets of Eldorado available for distribution to the Eldorado Shareholders in the

event of the liquidation, dissolution or winding-up of Eldorado. There are no pre-emptive, conversion or redemption rights attached to the Eldorado Shares.

If Eldorado Non-Voting Shares were outstanding, holders would be entitled to participate equally with holders of Eldorado Shares with respect to dividend payment and asset distribution resulting from a liquidation, dissolution or winding-up of Eldorado. Holders of Eldorado Non-Voting Shares would be entitled to receive notice of and to attend all meetings of Eldorado Shareholders, but (except as required by law) they would not be entitled to vote at any such meeting. Holders of Eldorado Non-Voting Shares would not be able to vote as a separate class but would have one vote for each share on a proposal to amend the articles to increase or decrease any maximum number of authorized Eldorado Non-Voting Shares or increase any maximum number of authorized shares having rights or privileges equal or superior to the Eldorado Non-Voting Shares, effect an exchange, reclassification or cancellation of all or part of the Eldorado Non-Voting Shares, or create a new class of shares equal or superior to the Eldorado Non-Voting Shares. Each issued Non-Voting Share would at any time be convertible at the option of the holder into one Eldorado Share, provided that no such conversion could occur, if on the date of the conversion and after giving effect to the conversion, the holder and its affiliates would beneficially own 40% or more of the issued and outstanding Eldorado Shares.

Dividends

The declaration and payment of dividends on Eldorado Shares are at the sole discretion of the Eldorado Board. The Eldorado Board has determined that, subject to the discretion of the Eldorado Board and dependent upon, among other things, the financial condition of and outlook for Eldorado, general business conditions, legal restrictions regarding the payment of dividends by Eldorado and Eldorado's cash flow and financing needs, Eldorado plans to pay a semi-annual dividend in the first and third quarter of each of Eldorado's financial years in accordance with an amended formula calculated on the number of ounces of gold sold by Eldorado in the preceding two quarters, at a fixed dollar amount per ounce sold based on a graduated gold price as follows:

| <u>Gold Price/oz</u> | <u>Dividend/oz</u> |
|----------------------|--------------------|
| Less than \$1,549 | \$100 |
| \$1,550 - \$1,649 | \$125 |
| \$1,650 - \$1,749 | \$150 |
| \$1,750 - \$1,849 | \$175 |
| \$1,850 - \$1,999 | \$225 |

Final approval of the calculated dividend fund will be at the discretion of the Eldorado Board. Such dividend fund being divided among all the issued and outstanding Eldorado Shares to yield the dividend payable per share.

Consolidated Capitalization

The following table sets forth Eldorado's consolidated capitalization as at September 30, 2011, adjusted to give effect to any material changes in the share capital of Eldorado since September 30, 2011, the date of Eldorado's most recent unaudited consolidated interim financial statements, and further adjusted to give effect to the Arrangement. The table should be read in conjunction with the unaudited consolidated interim financial statements of Eldorado as at and for the three and nine months ended September 30, 2011 including the notes thereto, and management's discussion and analysis thereof and the other financial information contained in or incorporated by reference in this Circular.

| | As at September 30, 2011 | As at September 30, 2011 after giving effect to options exercised during the period since September 30, 2011 | As at September 30, 2011 after giving effect to the completion of the Arrangement |
|--|----------------------------------|--|--|
| | (in thousands of dollars) | (in thousands of dollars) | (in thousands of dollars) |
| Eldorado share capital | \$2,854,369 | \$2,855,689 | \$5,105,791 |
| | (551,511,917 Eldorado Shares) | (551,682,917 Eldorado Shares) | (714,903,549 Eldorado Shares) |
| Cash, Cash Equivalents, and Short-Term Investments ⁽¹⁾ | \$416,232 | \$417,216 | \$404,521 |
| Total Debt | \$104,942 | \$104,942 | \$104,942 |

(1) Includes Restricted Cash of \$55,417 and marketable securities of \$4,272.

Prior Sales

The following table summarizes the issuances of Eldorado Shares and options granted by Eldorado within the 12 months prior to the date of this Circular.

| <u>Date</u> | <u>Security</u> | <u>Price per Security (Cdn\$)</u> | <u>Number of Securities</u> |
|-------------------|--------------------------------|---------------------------------------|-----------------------------|
| January 18, 2011 | Eldorado Shares ⁽¹⁾ | \$13.23 | 5,000 |
| January 18, 2011 | Eldorado Shares ⁽¹⁾ | \$4.88 | 6,667 |
| January 18, 2011 | Eldorado Shares ⁽¹⁾ | \$7.78 | 7,000 |
| January 28, 2011 | Eldorado Shares ⁽¹⁾ | \$4.88 | 1,250 |
| January 31, 2011 | Eldorado Shares ⁽¹⁾ | \$13.23 | 37,332 |
| February 7, 2011 | Eldorado Shares ⁽¹⁾ | \$4.88 | 100,000 |
| | Eldorado Stock | | |
| February 23, 2011 | Options | \$16.66 | 747,610 |
| February 23, 2011 | Eldorado Shares ⁽¹⁾ | \$13.23 | 16,666 |
| | Eldorado Stock | | |
| February 23, 2011 | Options | \$16.66 | 2,548,435 |
| February 23, 2011 | Eldorado Shares ⁽¹⁾ | \$4.88 | 11,334 |
| March 1, 2011 | Eldorado Shares ⁽¹⁾ | \$4.88 | 34,000 |
| March 1, 2011 | Eldorado Shares ⁽¹⁾ | \$13.23 | 9,733 |
| March 1, 2011 | Eldorado Shares ⁽¹⁾ | \$9.25 | 2,500 |
| March 3, 2011 | Eldorado Shares ⁽¹⁾ | \$4.88 | 10,000 |
| March 9, 2011 | Eldorado Shares ⁽²⁾ | \$14.82 | 10,125 |
| | Eldorado Stock | | |
| March 22, 2011 | Options | \$15.99 | 150,000 |
| March 22, 2011 | Eldorado Shares ⁽¹⁾ | \$4.88 | 10,000 |
| March 22, 2011 | Eldorado Shares ⁽¹⁾ | \$13.23 | 16,666 |
| March 25, 2011 | Eldorado Shares ⁽²⁾ | \$14.82 | 33,750 |
| April 4, 2011 | Eldorado Shares ⁽¹⁾ | \$4.88 | 71,667 |
| April 6, 2011 | Eldorado Shares ⁽¹⁾ | \$5.00 | 10,000 |
| April 6, 2011 | Eldorado Shares ⁽¹⁾ | \$6.44 | 190,000 |
| April 6, 2011 | Eldorado Shares ⁽¹⁾ | \$4.88 | 33,333 |
| April 8, 2011 | Eldorado Shares ⁽¹⁾ | \$4.88 | 1,500 |
| April 8, 2011 | Eldorado Shares ⁽¹⁾ | \$13.23 | 8,333 |
| April 8, 2011 | Eldorado Shares ⁽²⁾ | \$14.82 | 5,192 |
| April 11, 2011 | Eldorado Shares ⁽²⁾ | \$14.82 | 3,375 |
| April 15, 2011 | Eldorado Shares ⁽¹⁾ | \$13.23 | 108,333 |

| <u>Date</u> | <u>Security</u> | <u>Price per Security (Cdn\$)</u> | <u>Number of Securities</u> |
|-----------------|--------------------------------|---------------------------------------|-----------------------------|
| April 20, 2011 | Eldorado Shares ⁽²⁾ | \$14.82 | 6,750 |
| April 21, 2011 | Eldorado Shares ⁽²⁾ | \$14.82 | 10,462 |
| May 3, 2011 | Eldorado Shares ⁽²⁾ | \$14.82 | 26,975 |
| May 5, 2011 | Eldorado Shares ⁽¹⁾ | \$4.88 | 15,000 |
| | Eldorado Stock | | |
| May 10, 2011 | Options | \$15.22 | 100,000 |
| May 11, 2011 | Eldorado Shares ⁽¹⁾ | \$4.88 | 30,000 |
| May 16, 2011 | Eldorado Shares ⁽¹⁾ | \$4.88 | 20,000 |
| May 25, 2011 | Eldorado Shares ⁽¹⁾ | \$13.23 | 45,000 |
| | Eldorado Stock | | |
| June 1, 2011 | Options | \$15.37 | 150,000 |
| | Eldorado Stock | | |
| June 1, 2011 | Options | \$15.37 | 133,646 |
| July 4, 2011 | Eldorado Shares ⁽¹⁾ | \$4.88 | 2,000 |
| July 5, 2011 | Eldorado Shares ⁽¹⁾ | \$13.23 | 5,000 |
| July 13, 2011 | Eldorado Shares ⁽¹⁾ | \$13.23 | 80,000 |
| July 13, 2011 | Eldorado Shares ⁽¹⁾ | \$4.88 | 20,000 |
| July 14, 2011 | Eldorado Shares ⁽¹⁾ | \$13.23 | 25,000 |
| July 14, 2011 | Eldorado Shares ⁽¹⁾ | \$15.37 | 50,000 |
| July 14, 2011 | Eldorado Shares ⁽¹⁾ | \$7.12 | 2,000 |
| July 14, 2011 | Eldorado Shares ⁽¹⁾ | \$5.15 | 1,000 |
| July 14, 2011 | Eldorado Shares ⁽¹⁾ | \$4.88 | 40,000 |
| August 3, 2011 | Eldorado Shares ⁽¹⁾ | \$13.23 | 28,666 |
| August 3, 2011 | Eldorado Shares ⁽¹⁾ | \$9.25 | 1,000 |
| August 3, 2011 | Eldorado Shares ⁽¹⁾ | \$16.66 | 10,000 |
| August 3, 2011 | Eldorado Shares ⁽¹⁾ | \$4.88 | 20,000 |
| August 8, 2011 | Eldorado Shares ⁽¹⁾ | \$4.88 | 230,934 |
| August 8, 2011 | Eldorado Shares ⁽¹⁾ | \$13.23 | 15,667 |
| August 8, 2011 | Eldorado Shares ⁽¹⁾ | \$9.25 | 5,000 |
| August 8, 2011 | Eldorado Shares ⁽¹⁾ | \$9.25 | 1,000 |
| August 8, 2011 | Eldorado Shares ⁽¹⁾ | \$5.15 | 1,500 |
| August 9, 2011 | Eldorado Shares ⁽¹⁾ | \$9.25 | 2,000 |
| August 9, 2011 | Eldorado Shares ⁽¹⁾ | \$7.78 | 45,000 |
| August 9, 2011 | Eldorado Shares ⁽¹⁾ | \$7.12 | 5,000 |
| August 10, 2011 | Eldorado Shares ⁽¹⁾ | \$4.88 | 407,567 |
| August 10, 2011 | Eldorado Shares ⁽¹⁾ | \$13.23 | 125,265 |
| August 10, 2011 | Eldorado Shares ⁽¹⁾ | \$9.25 | 7,500 |
| August 10, 2011 | Eldorado Shares ⁽¹⁾ | \$16.66 | 5,000 |
| August 10, 2011 | Eldorado Shares ⁽¹⁾ | \$7.12 | 10,000 |
| August 10, 2011 | Eldorado Shares ⁽¹⁾ | \$7.78 | 15,000 |
| August 11, 2011 | Eldorado Shares ⁽¹⁾ | \$13.23 | 23,633 |
| August 11, 2011 | Eldorado Shares ⁽¹⁾ | \$16.66 | 5,000 |
| August 11, 2011 | Eldorado Shares ⁽¹⁾ | \$7.12 | 50,000 |
| August 15, 2011 | Eldorado Shares ⁽¹⁾ | \$9.81 | 20,000 |
| August 15, 2011 | Eldorado Shares ⁽¹⁾ | \$13.23 | 15,000 |
| August 15, 2011 | Eldorado Shares ⁽¹⁾ | \$16.66 | 5,000 |
| August 16, 2011 | Eldorado Shares ⁽¹⁾ | \$13.23 | 96,667 |
| August 16, 2011 | Eldorado Shares ⁽¹⁾ | \$16.66 | 28,958 |
| August 16, 2011 | Eldorado Shares ⁽¹⁾ | \$4.88 | 3,367 |
| August 17, 2011 | Eldorado Shares ⁽¹⁾ | \$6.44 | 20,000 |
| August 18, 2011 | Eldorado Shares ⁽¹⁾ | \$16.66 | 15,000 |
| August 18, 2011 | Eldorado Shares ⁽¹⁾ | \$13.23 | 10,000 |
| August 22, 2011 | Eldorado Shares ⁽¹⁾ | \$4.88 | 5,000 |
| August 22, 2011 | Eldorado Shares ⁽¹⁾ | \$13.23 | 14,999 |
| August 22, 2011 | Eldorado Shares ⁽¹⁾ | \$16.66 | 23,333 |
| August 19, 2011 | Eldorado Shares ⁽¹⁾ | \$6.44 | 20,000 |
| August 19, 2011 | Eldorado Shares ⁽¹⁾ | \$4.88 | 1,834 |
| August 19, 2011 | Eldorado Shares ⁽¹⁾ | \$9.25 | 2,000 |

| <u>Date</u> | <u>Security</u> | <u>Price per Security (Cdn\$)</u> | <u>Number of Securities</u> |
|--------------------|--------------------------------|---------------------------------------|-----------------------------|
| August 19, 2011 | Eldorado Shares ⁽¹⁾ | \$13.23 | 1,666 |
| August 29, 2011 | Eldorado Shares ⁽¹⁾ | \$9.81 | 13,300 |
| August 29, 2011 | Eldorado Shares ⁽¹⁾ | \$6.44 | 34,000 |
| August 29, 2011 | Eldorado Shares ⁽¹⁾ | \$7.12 | 34,000 |
| August 29, 2011 | Eldorado Shares ⁽¹⁾ | \$5.01 | 2,500 |
| August 31, 2011 | Eldorado Shares ⁽¹⁾ | \$13.23 | 5,000 |
| August 31, 2011 | Eldorado Shares ⁽¹⁾ | \$9.25 | 30,000 |
| September 1, 2011 | Eldorado Shares ⁽¹⁾ | \$7.12 | 500 |
| September 1, 2011 | Eldorado Shares ⁽¹⁾ | \$13.23 | 28,333 |
| September 1, 2011 | Eldorado Shares ⁽¹⁾ | \$4.88 | 38,000 |
| September 1, 2011 | Eldorado Shares ⁽¹⁾ | \$6.44 | 100,000 |
| September 2, 2011 | Eldorado Shares ⁽¹⁾ | \$4.88 | 33,400 |
| September 2, 2011 | Eldorado Shares ⁽¹⁾ | \$13.23 | 52,999 |
| September 2, 2011 | Eldorado Shares ⁽¹⁾ | \$16.66 | 31,666 |
| September 2, 2011 | Eldorado Shares ⁽¹⁾ | \$7.90 | 67 |
| September 2, 2011 | Eldorado Shares ⁽¹⁾ | \$11.40 | 20,000 |
| September 2, 2011 | Eldorado Shares ⁽¹⁾ | \$9.25 | 2,000 |
| September 2, 2011 | Eldorado Shares ⁽¹⁾ | \$7.12 | 10,000 |
| September 2, 2011 | Eldorado Shares ⁽¹⁾ | \$6.44 | 10,000 |
| September 6, 2011 | Eldorado Shares ⁽¹⁾ | \$4.88 | 17,100 |
| September 6, 2011 | Eldorado Shares ⁽¹⁾ | \$13.23 | 26,633 |
| September 6, 2011 | Eldorado Shares ⁽¹⁾ | \$16.66 | 24,932 |
| September 6, 2011 | Eldorado Shares ⁽¹⁾ | \$9.25 | 4,000 |
| September 6, 2011 | Eldorado Shares ⁽¹⁾ | \$7.78 | 7,500 |
| September 7, 2011 | Eldorado Shares ⁽¹⁾ | \$4.88 | 10,000 |
| September 7, 2011 | Eldorado Shares ⁽¹⁾ | \$6.90 | 21,000 |
| September 7, 2011 | Eldorado Shares ⁽¹⁾ | \$12.86 | 7,500 |
| September 7, 2011 | Eldorado Shares ⁽¹⁾ | \$16.66 | 15,000 |
| September 7, 2011 | Eldorado Shares ⁽¹⁾ | \$13.23 | 5,000 |
| September 7, 2011 | Eldorado Shares ⁽¹⁾ | \$15.37 | 30,000 |
| September 8, 2011 | Eldorado Shares ⁽¹⁾ | \$16.66 | 15,000 |
| September 8, 2011 | Eldorado Shares ⁽¹⁾ | \$13.23 | 24,999 |
| September 8, 2011 | Eldorado Shares ⁽¹⁾ | \$12.86 | 60,000 |
| September 8, 2011 | Eldorado Shares ⁽¹⁾ | \$7.12 | 100,000 |
| September 9, 2011 | Eldorado Shares ⁽¹⁾ | \$16.66 | 16,463 |
| September 9, 2011 | Eldorado Shares ⁽¹⁾ | \$4.88 | 33,000 |
| September 9, 2011 | Eldorado Shares ⁽¹⁾ | \$13.23 | 12,000 |
| September 9, 2011 | Eldorado Shares ⁽¹⁾ | \$16.66 | 10,000 |
| September 29, 2011 | Eldorado Shares ⁽¹⁾ | \$4.88 | 8,334 |
| September 29, 2011 | Eldorado Shares ⁽¹⁾ | \$13.23 | 5,000 |
| September 29, 2011 | Eldorado Shares ⁽¹⁾ | \$16.66 | 5,000 |
| | Eldorado Stock | | |
| November 7, 2011 | Options | \$19.19 | 40,000 |
| November 7, 2011 | Eldorado Shares ⁽¹⁾ | \$4.88 | 25,000 |
| November 7, 2011 | Eldorado Shares ⁽¹⁾ | \$13.23 | 20,000 |
| November 7, 2011 | Eldorado Shares ⁽¹⁾ | \$4.88 | 100,000 |
| November 9, 2011 | Eldorado Shares ⁽¹⁾ | \$7.12 | 500 |
| December 5, 2011 | Eldorado Shares ⁽¹⁾ | \$4.88 | 25,500 |

Notes:

(1) Issued upon exercise of previously issued Eldorado Options.

(2) Issued upon conversion of warrants under a plan of arrangement with Brazauro Resources Corporation.

Price Range and Trading Volumes of the Eldorado Shares

Eldorado Shares are listed on the TSX, NYSE and ASX under the symbols “ELD”, “EGO” and “EAU”, respectively. The following table sets forth, for the periods indicated, the price range and trading volume for the Eldorado Shares on the TSX and NYSE and the Eldorado Chess Depository Interests on the ASX:

| Period | TSX | | | NYSE | | | ASX | | |
|-------------------|------------------|-----------------|------------|--------------|-------------|------------|---------------|--------------|-----------|
| | High (Cdn.\$) | Low (Cdn.\$) | Volume | High (\$) | Low (\$) | Volume | High (A\$) | Low (A\$) | Volume |
| 2011 | | | | | | | | | |
| January | \$18.20 | \$15.43 | 49,145,499 | \$18.70 | \$15.45 | 17,948,545 | \$18.45 | \$15.83 | 893,307 |
| February | \$17.43 | \$15.88 | 38,562,012 | \$17.68 | \$15.91 | 13,972,428 | \$17.49 | \$15.92 | 1,059,395 |
| March..... | \$16.87 | \$14.32 | 42,258,821 | \$17.32 | \$14.45 | 17,522,004 | \$17.00 | \$14.51 | 3,381,924 |
| April..... | \$17.65 | \$15.27 | 39,038,056 | \$18.67 | \$15.84 | 17,004,112 | \$17.15 | \$15.37 | 609,676 |
| May | \$17.72 | \$14.42 | 57,967,750 | \$18.67 | \$14.76 | 22,502,839 | \$16.79 | \$14.10 | 1,003,641 |
| June | \$15.41 | \$13.09 | 42,425,720 | \$15.84 | \$13.35 | 21,711,446 | \$14.97 | \$12.59 | 1,927,881 |
| July..... | \$17.98 | \$13.80 | 55,247,755 | \$18.98 | \$14.16 | 20,908,305 | \$17.48 | \$13.43 | 511,733 |
| August..... | \$20.06 | \$16.51 | 79,425,021 | \$20.29 | \$16.77 | 32,168,131 | \$19.48 | \$14.25 | 777,286 |
| September | \$21.95 | \$17.40 | 52,139,029 | \$22.12 | \$16.69 | 27,801,668 | \$20.55 | \$16.93 | 626,344 |
| October | \$19.66 | \$16.16 | 43,203,605 | \$19.78 | \$15.23 | 18,369,306 | \$18.28 | \$16.02 | 431,620 |
| November | \$20.17 | \$16.93 | 39,948,553 | \$19.87 | \$16.30 | 15,265,149 | \$19.49 | \$16.32 | 600,235 |
| December | \$18.73 | \$13.28 | 55,366,470 | \$18.45 | \$12.84 | 20,686,881 | \$17.82 | \$13.07 | 599,452 |
| 2012 | | | | | | | | | |
| January (1 to 20) | \$15.13 | \$13.66 | 29,505,350 | \$14.90 | \$13.48 | 9,343,930 | \$14.46 | \$13.15 | 222,469 |

The closing price of the Eldorado Shares on the TSX, NYSE and ASX on January 20, 2012 was Cdn\$13.75, US\$ 13.59 and A\$13.15, respectively.

Available Information

Eldorado files reports and other information with Canadian Securities Authorities. These reports and information are available to the public free of charge on SEDAR at www.sedar.com.

Risk Factors

The business and operations of Eldorado are subject to risks. In addition to considering the other information in this Circular, European Goldfields Shareholders should consider carefully the factors set forth in the Eldorado Annual Information Form, which is incorporated by reference herein.

INFORMATION PERTAINING TO THE COMBINED COMPANY

General

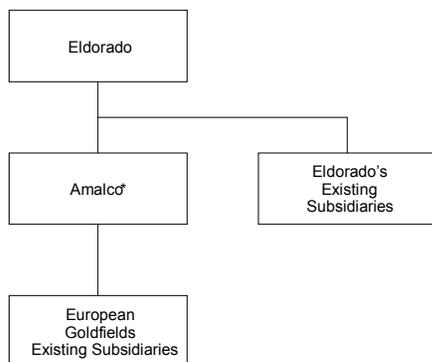
After the completion of the Arrangement, Eldorado will continue to exist as a corporation governed by the *Canada Business Corporations Act*.

On completion of the Arrangement, Amalco will continue to be a corporation governed by the YBCA. After the Effective Date, Eldorado will own all of the outstanding shares of Amalco.

Upon completion of the Arrangement, the business and operations of Amalco will be managed and operated as a subsidiary of Eldorado. Eldorado expects that the business and operations of Eldorado and European Goldfields will be consolidated and the principal executive office of the Combined Company will be located at Eldorado's current head office, being 1188-550 Burrard Street, Vancouver, British Columbia, V6C 2B5.

Organizational Chart

The following chart shows the corporate relationship between Eldorado and the Company following the completion of the Arrangement:



* Amalco will be a corporation existing under the laws of the Yukon Territory resulting from the amalgamation of European Goldfields and Eldorado Gold Yukon Corp., a wholly-owned subsidiary of Eldorado, completed pursuant to the Plan of Arrangement.

Directors and Executive Officers of the Combined Company

Information about the current directors and executive officers of Eldorado is as set forth in the Eldorado AIF, which is incorporated by reference into this Circular as updated under the heading "Information Pertaining to Eldorado - Information Respecting Directors and Officers". The current directors and officers of Eldorado will continue to serve as the directors and executive officers of the Combined Company after the completion of the Arrangement.

Capital Structure

The authorized capital of Eldorado following the Arrangement will continue to consist of an unlimited number of common shares and the rights and restrictions of the Eldorado Shares will remain unchanged. The share capital of Eldorado will also remain unchanged as a result of the consummation of the Arrangement, other than the issuance of the Eldorado Shares and Eldorado Replacement Options contemplated in the Arrangement (including the Eldorado Shares reserved for issuance upon exercise of the Eldorado Replacement Options).

Unaudited Pro Forma Consolidated Financial Information

The unaudited pro forma consolidated financial statements of Eldorado and accompanying notes are included in Appendix G to this Circular. For a discussion of the unaudited pro forma consolidated financial statements of Eldorado. See "Summary - Eldorado Selected Unaudited Pro Forma Financial Information".

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as otherwise disclosed in this Circular, European Goldfields is not aware of any director, officer or any person who, to the knowledge of the directors or officers of European Goldfields, beneficially owns or controls or exercises discretion over shares carrying more than 10% of the votes attached to the shares of European Goldfields, informed person, or any associate or affiliate of an informed person, having any material interest, direct or indirect, in any transaction or proposed transaction since January 1, 2011 which has materially affected or would materially affect European Goldfields or any of its subsidiaries or affiliates.

INTERESTS OF EXPERTS OF ELDORADO AND EUROPEAN GOLDFIELDS

Interests of Experts of European Goldfields

On July 25, 2011, European Goldfields announced and subsequently filed a material change report in respect of the completion of an updated NI 43-101 Technical Report entitled "Skouries CU/AU Project, Greece, NI 43-101 Report" dated July 14, 2011 (superseding the previous report on the project). The technical report was prepared by David Smith, Antony Francis, European Goldfields' senior metallurgist, and Patrick Forward, European Goldfields' Vice-President, Projects and Exploration, each a Qualified Person. See "European Goldfields Documents Incorporated by Reference".

European Goldfields also announced on July 25, 2011 and subsequently filed a material change report in respect of the completion of an updated NI 43-101 Technical Report entitled "Technical Report on Olympias Project - Au Pb Zn Ag Deposit, Northern Greece" dated July 14, 2011 (superseding the previous report on the project). The technical report was prepared by Patrick Forward, Antony Francis and Neil Liddell, each a Qualified Person. See "European Goldfields Documents Incorporated by Reference".

As of the date hereof, Tony Jackson, Patrick Forward, Antony Francis, Neil Liddell and David Smith, each a Qualified Person, beneficially own, directly or indirectly, in the aggregate, less than 1% of the securities of European Goldfields and Eldorado.

Ernst & Young LLP is the auditor of European Goldfields and is independent of European Goldfields within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants in England and Wales.

Interests of Experts of Eldorado

As of the date hereof, Stephen Juras, Sean Gregersen, Richard Miller, Rick Alexander, Roberto Costa, Paul Skayman, Norman Pitcher, John Hearne, Michael Warren, Peter Lewis, Peter Perkins and Scott Cowie beneficially own, directly or indirectly, in the aggregate, less than 1% of the securities of European Goldfields and Eldorado.

KPMG LLP is the auditor of Eldorado and is independent of Eldorado within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of British Columbia.

ADDITIONAL INFORMATION

Additional information relating to European Goldfields and Eldorado is available on SEDAR at www.sedar.com. European Goldfields Shareholders may contact European Goldfields at Level 3, 11 Berkeley Street, London, England W1J 8DS to request copies of European Goldfields' financial statements and management's discussion and analysis.

Financial information is provided in European Goldfields' comparative financial statements and management's discussion and analysis for its most recently completed financial year which are filed on SEDAR.

OTHER MATTERS

Management of European Goldfields is not aware of any other matter to come before the European Goldfields Meeting other than as set forth in the Notice of Special Meeting. If any other matter properly comes before the European Goldfields Meeting, it is the intention of the persons named in the enclosed form of proxy to vote the shares represented thereby in accordance with their best judgment on such matter.

DIRECTORS' APPROVAL

The contents and the sending of the Notice of Special Meeting and this Circular have been approved by the European Goldfields Board.

DATED: January 23, 2012.

ON BEHALF OF THE BOARD OF DIRECTORS OF EUROPEAN GOLDFIELDS LIMITED

"Martyn Konig"

MARTYN KONIG
President, Executive Chairman and Director

GLOSSARY OF TERMS

In this Circular and the Summary, the following capitalized words and terms shall have the following meanings:

“Acquisition Proposal” means, other than the Qatari Transactions, the transactions contemplated by the Arrangement Agreement and other than any transaction involving only a Party and/or one or more of its wholly-owned Subsidiaries, any *bona fide* offer, proposal or inquiry from any Person or group of Persons, whether or not in writing and whether or not delivered to the shareholders of a Party, after the date hereof relating to: (a) any acquisition or purchase, direct or indirect, of: (i) the assets of that Party and/or one or more of its Subsidiaries that, individually or in the aggregate, constitute 20% or more of the consolidated assets of that Party and its Subsidiaries, taken as a whole, or which contribute 20% or more of the consolidated revenue of a Party and its Subsidiaries, taken as a whole, or (ii) 20% or more of the issued and outstanding voting or equity securities of: (A) that Party; or (B) any one or more of its Subsidiaries that, individually or in the aggregate, contribute 20% or more of the consolidated revenues or constitute 20% or more of the consolidated assets of that Party and its Subsidiaries, taken as a whole; (b) any take-over bid, tender offer or exchange offer that, if consummated, would result in such Person or group of Persons beneficially owning 20% or more of the issued and outstanding voting or equity securities of any class of voting or equity securities of that Party; or (c) a plan of arrangement, merger, amalgamation, consolidation, share exchange, business combination, reorganization, recapitalization, liquidation, dissolution or other similar transaction involving: (A) that Party; or (B) any of its Subsidiaries whose assets or revenues, individually or in the aggregate, constitute 20% or more of the consolidated assets or revenues, as applicable, of that Party and its Subsidiaries, taken as a whole; (d) an alliance, joint venture or earn-in right relating to 20% or more of a Party’s consolidated assets; or (e) a sale relating to 20% or more of a Party’s consolidated assets (or any lease, long-term supply or off-take agreement, hedging arrangement or other transaction having the same economic effect as a sale of such assets);

“affiliate” has the meaning ascribed thereto in the National Instrument 45-106 - *Prospectus and Registration Exemptions* of the Canadian Securities Administrators;

“AIM” means the AIM Market operations of the London Stock Exchange plc;

“Amalco” means the corporation formed upon the amalgamation of Eldorado Holdco and European Goldfields pursuant to the Arrangement;

“Applicable Laws” means any domestic or foreign statute, law, ordinance, rule, regulation, restriction, published and legally binding regulatory policy or guideline, by-law (zoning or otherwise), or order or any consent, exemption, approval or licence of any domestic or foreign Governmental Entity that applies in whole or in part to Eldorado or European Goldfields, as the context requires, or to their respective businesses, undertakings, properties or securities including, without limitation, Canadian Securities Laws;

“Arrangement” means the arrangement of European Goldfields and Eldorado Holdco under Section 195 of the YBCA on the terms and subject to the conditions set out in the Plan of Arrangement, subject to any amendments or variations thereto made in accordance with the Arrangement Agreement or the Plan of Arrangement or made at the direction of the Court in the Final Order (provided, however, that any such amendment or variation is acceptable to both European Goldfields and Eldorado, each acting reasonably);

“Arrangement Agreement” means the arrangement agreement dated November 18, 2011 between European Goldfields and Eldorado, as amended and restated January 19, 2012, and any amendment thereto or amendment and restatement thereof;

“Arrangement Resolution” means the special resolution substantially in the form attached as Appendix A to this Circular approving the Plan of Arrangement which is to be considered at the European Goldfields Meeting substantially in the form and content of Schedule “B” hereto;

“Articles of Amalgamation” means the articles of amalgamation of European Goldfields and Eldorado Holdco to be filed in accordance with the terms of the YBCA after the Final Order is made, which shall be in form and content satisfactory to European Goldfields and Eldorado, each acting reasonably;

“Articles of Arrangement” means the articles of arrangement of European Goldfields and, if required, Eldorado Holdco to be filed with the Director in compliance with the YBCA after the Final Order is obtained;

“associate” has the meaning given to that term under Canadian Securities Laws;

“ASX” means the Australian Stock Exchange;

“Authorization” means any authorization, order, permit, approval, grant, licence, registration, consent, right, notification, condition, franchise, privilege, certificate, judgment, writ, injunction, award, determination, direction, decision, decree, bylaw, rule or regulation, whether or not having the force of Law, and includes any environmental permit;

“Beneficial Shareholder” means a European Goldfields Shareholder who is not a Registered Shareholder;

“BMO Capital Markets” means BMO Nesbitt Burns Inc.;

“BMO Capital Markets Fairness Opinion” means the opinion dated December 18, 2011 prepared by BMO Capital Markets in connection with the Arrangement, as described under “The Arrangement - Opinions of BMO Capital Markets and Lazard” in this Circular and attached as Appendix C hereto;

“Business Day” means any day, other than a Saturday, a Sunday or a statutory or civic holiday in Whitehorse, Yukon Territory, Vancouver, British Columbia or London, England;

“Canadian Securities Acts” means the securities acts or the equivalent securities legislation of each province and territory of Canada, as amended;

“Canadian Securities Authorities” means the British Columbia Securities Commission and the other securities regulatory authorities of the provinces and territories of Canada as applicable;

“Canadian Securities Laws” means the *Securities Act* (British Columbia) and the equivalent legislation in the other provinces and in the territories of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commissions and similar regulatory authorities of each of the provinces and territories of Canada and the published rules and policies of the TSX;

“Certificate of Amalgamation” means the certificate of amalgamation to be issued by the Registrar pursuant to Subsection 195(11) of the YBCA in respect of the Articles of Amalgamation;

“Certificate of Arrangement” means the certificate of amendment (by arrangement) to be issued by the Registrar pursuant to Subsection 195(11) of the YBCA in respect of the Articles of Arrangement;

“Code” means the U.S. Internal Revenue Code of 1986, as amended;

“Collateral Benefits” has the meaning ascribed thereto in Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*;

“Circular” means this management information circular for the European Goldfields Meeting, including all appendices hereto, and all amendments and supplements hereto;

“Closing” means the completion of the Arrangement;

“Combined Company” means Amalco and Eldorado after completion of the Arrangement;

“Confidentiality Agreement” means the confidentiality agreement between Eldorado and European Goldfields dated October 21, 2010 pursuant to which the Parties provided confidential information to each other.

“Consideration” means the consideration to be received by the European Goldfields Shareholders pursuant to the Plan of Arrangement as consideration for their European Goldfields Shares, consisting of an indivisible mixture of 0.85 of an Eldorado Share and Cdn\$0.0001 in cash per European Goldfields Share;

“Consideration Shares” means the Eldorado Shares to be issued pursuant to the Arrangement;

“Court” means the Supreme Court of Yukon;

“CRA” means the Canada Revenue Agency;

“CREST” means the relevant system (as defined in the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755)) for the paperless settlement of trades in securities and the holding of uncertificated securities in respect of which Euroclear is the Operator (as defined in the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755));

“Depositary” means Kingsdale Shareholder Services Inc.;

“Dissent Procedures” means the procedures to be taken by a European Goldfields Shareholder in exercising Dissent Rights;

“Dissent Rights” means the rights of dissent exercisable by the European Goldfields Shareholders in respect of the Arrangement described in Article 4 of the Plan of Arrangement;

“Dissenting Shareholders” means European Goldfields Shareholders who have duly and validly exercised their Dissent Rights in strict compliance with the Dissent Rights and whose Dissent Rights have not terminated;

“**Dissenting Shares**” means the European Goldfields Shares held by Dissenting Shareholders;

“**DTCC**” means The Depository Trust and Clearing Corporation;

“**EDGAR**” means the Electronic Data Gathering and Retrieval system of the United States Securities and Exchange Commission;

“**Effective Date**” means the date shown on the Certificate of Arrangement giving effect to the Arrangement;

“**Effective Time**” means 10:00 a.m. (Vancouver time) on the Effective Date or such other time as Eldorado and European Goldfields shall agree;

“**EIS**” means the Environmental Impact Study submitted by the Company’s 95%-owned subsidiary, Hellas Gold S.A. for the development of the Company’s Greek assets.

“**Eldorado**” means Eldorado Gold Corporation, a corporation existing under the *Canada Business Corporations Act*, including its subsidiaries;

“**Eldorado AIF**” means the annual information form of Eldorado dated March 30, 2011 for the year ended December 31, 2010 which is available on SEDAR at www.sedar.com under Eldorado’s profile;

“**Eldorado Board**” means the board of directors of Eldorado;

“**Eldorado CDIs**” means CREST depository interests representing entitlements to Eldorado Shares;

“**Eldorado Change in Recommendation**” means if Eldorado, prior to the Effective Time and subject to the provisions of the Arrangement Agreement, fails to recommend or withdraws, amends, modifies or qualifies, in a manner adverse to Eldorado or fails to publicly reaffirm its recommendation of the Eldorado Resolution within five Business Days (and in any case prior to the European Goldfields Meeting) after having been requested in writing by European Goldfields to do so.

“**Eldorado Expense Fee**” means Cdn\$30 million;

“**Eldorado Expense Fee Event**” has the meaning ascribed thereto under “The Arrangement Agreement – Termination of the Arrangement Agreement – Eldorado Expense Fee”;

“**Eldorado Holdco**” means Eldorado Gold Yukon Corp., a wholly-owned subsidiary of Eldorado incorporated under the YBCA;

“**Eldorado Material Adverse Effect**” means any one or more changes, effects, events or occurrences that, individually or in the aggregate, is, or would reasonably be expected to be, material and adverse to the business, properties, assets, liabilities (contingent or otherwise), condition (financial or otherwise), capitalization, operations or results of operations of Eldorado and its Subsidiaries, taken as a whole, other than any change, effect, event or occurrence (i) in or relating to general political, economic or financial conditions, including in Canada, the United States, Greece, China, Brazil or Turkey, (ii) in or relating to the state of securities markets in general, including any reduction in market indices, (iii) in or relating to currency exchange rates, (iv) in or relating to the industries in which such person operates in general or the market for gold in general, (v) in or relating to GAAP or regulatory accounting requirements, (vi) in

or relating to any Applicable Laws or any interpretation thereof by any Governmental Entity, or (vii) relating to a change in the market trading price of the Eldorado Shares either: (A) related to the Arrangement Agreement and the Arrangement or the announcement thereof; or (B) related to such a change in the market trading price primarily resulting from a change, effect, event or occurrence excluded from this definition of “Eldorado Material Adverse Effect” under subsections (i) to (vi) above, provided, however, that such effect referred to in subsections (ii) to (vi) above does not primarily relate to (or have the effect of primarily relating to) Eldorado or its Subsidiaries or disproportionately adversely affect Eldorado and its Subsidiaries, taken as a whole, compared to other companies of similar size operating in the industry in which Eldorado and its Subsidiaries operate; and references in the Arrangement Agreement to dollar amounts are not intended to be and shall not be deemed to be illustrative or interpretative for purposes of determining whether an “Eldorado Material Adverse Effect” has occurred;

“**Eldorado Meeting**” means the special meeting of Eldorado Shareholders, including any adjournment or postponement thereof, to be called for the purpose of obtaining Eldorado Shareholder Approval;

“**Eldorado Mineral Rights**” means all of Eldorado’s and its Subsidiaries’ material mineral interests and rights (including any material claims, concessions, exploration licences, exploitation licences, prospecting permits, mining leases and mining rights, in each case, either existing under contract, by operation of Law or otherwise).

“**Eldorado Non-Voting Shares**” means convertible non-voting shares in the authorized share capital of Eldorado;

“**Eldorado Options**” means options to purchase Eldorado Shares;

“**Eldorado Property**” means all of Eldorado’s and its Subsidiaries’ material real properties.

“**Eldorado Replacement Options**” has the meaning set out under “Summary – The Arrangement” in this Circular; “Eldorado Securities” means, collectively, the Eldorado Shares and Eldorado Replacement Options;

“**Eldorado Resolution**” means the ordinary resolution of Eldorado Shareholders approving the issuance of the Consideration Shares and Option Shares at the Eldorado Meeting.

“**Eldorado Shareholder Approval**” means the approval by the Eldorado Shareholders by ordinary resolution of the issuance of the Consideration Shares and Option Shares at the Eldorado Meeting and, if required, of the transactions contemplated by the Arrangement Agreement, in accordance with the policies and rules of the TSX, NYSE and ASX;

“**Eldorado Shareholders**” means, at the relevant time, the holders of Eldorado Shares;

“**Eldorado Shares**” means the common shares of Eldorado;

“**Election Deadline**” means 11:00 am on February 17, 2012 or, in the event of any adjournment or postponement of the European Goldfields Meeting, two Business Days prior to such adjournment or postponement;

“Election Form” means the election form to be delivered by European Goldfields to European Goldfields DPU Holders in respect of the European Goldfields DPU Election, in such form as is acceptable to European Goldfields and Eldorado, each acting reasonably;

“Eldorado Termination Fee” has the meaning ascribed thereto under “the Arrangement Agreement”;

“Eldorado Termination Fee Event” has the meaning ascribed thereto under “the Arrangement Agreement”;

“Eldorado Voting Agreements” means the voting agreements (including all amendments thereto) between Eldorado and certain directors and senior officers of European Goldfields setting forth the terms and conditions upon which they agree, among other things, to vote their European Goldfields Shares in favour of the Arrangement Resolution;

“Elected Amount” has the meaning ascribed thereto under “Canadian Federal Income Tax Considerations”; **“Eligible Holder”** has the meaning ascribed thereto under “Canadian Federal Income Tax Considerations”;

“Euroclear” means Euroclear UK & Ireland Limited.

“European Goldfields” or the **“Company”** means European Goldfields Limited, a company existing under the YBCA;

“European Goldfields AIF” means the annual information form of European Goldfields dated March 31, 2011 for the fiscal year ended December 31, 2010, which is available on SEDAR at www.sedar.com under European Goldfields’ profile;

“European Goldfields Benefit Plans” means any pension or retirement income plans or other employee compensation, other than equity- or security-based compensation arrangements, or benefit plans, agreements, policies, programs, arrangements or practices, whether written or oral, which are maintained by or binding upon European Goldfields or any of its Subsidiaries or for which European Goldfields or its Subsidiaries could have any liability;

“European Goldfields Board” means the board of directors of European Goldfields;

“European Goldfields Budget” means the European Goldfields operating and capital budget for 2012 as presented to the European Goldfields Board on December 8, 2011, together with all expenditures which have been approved by the European Goldfields Board prior to the date of the Arrangement Agreement, copies of which have been provided to Eldorado;

“European Goldfields CDIs” means CREST depository interests representing entitlements to European Goldfields Shares;

“European Goldfields CDI Holders” means holders of European Goldfields CDIs;

“European Goldfields Change in Recommendation” means if European Goldfields, prior to the Effective Time and subject to the provisions of the Arrangement Agreement, fails to recommend or withdraws, amends, modifies or qualifies, in a manner adverse to Eldorado or fails to publicly reaffirm its

recommendation of the Arrangement within five Business Days (and in any case prior to the European Goldfields Meeting) after having been requested in writing by Eldorado to do so.

“European Goldfields Circular” means the notice of the European Goldfields Meeting and accompanying management information circular, including all schedules, appendices and exhibits thereto and enclosures therewith, to be sent to the European Goldfields Shareholders in connection with the European Goldfields Meeting, as amended, supplemented or otherwise modified from time to time;

“European Goldfields DPU” means a deferred phantom unit under the European Goldfields DPU Plan.

“European Goldfields DPU Election” means, in respect of a European Goldfields DPU, an election by a European Goldfields DPU Holder to receive European Goldfields DPU Election Consideration on the Separation Date (as defined in the European Goldfields DPU Plan), which election has been duly made by delivering a duly completed and executed Election Form to European Goldfields on or before the Election Deadline;

“European Goldfields DPU Election Consideration” means, the consideration to be received by a European Goldfields DPU Holder in respect of each European Goldfields DPU held by such holder immediately prior to the Effective Date, consisting of 0.85 of an Eldorado Share;

“European Goldfields DPU Holders” means holders of European Goldfields DPUs;

“European Goldfields DPU Plan” means the deferred phantom unit plan dated December 5, 2008 as amended September 14, 2010;

“European Goldfields Expense Fee” means Cdn\$15 million;

“European Goldfields Expense Fee Event” has the meaning ascribed thereto under “The Arrangement Agreement – Termination of the Arrangement Agreement – European Goldfields Expense Fee”;

“European Goldfields JOE Plan” means the European Goldfields Employee Share Trust operated by an independent trustee subject to a trust deed;

“European Goldfields Material Adverse Effect” means means any one or more changes, effects, events or occurrences that, individually or in the aggregate, is, or would reasonably be expected to be, material and adverse to the business, properties, assets, liabilities (contingent or otherwise), condition (financial or otherwise), capitalization, operations or results of operations of European Goldfields and its Subsidiaries, taken as a whole, other than any change, effect, event or occurrence (i) in or relating to general political, economic or financial conditions, including in Canada, the United States, Greece, Romania or Turkey, (ii) in or relating to the state of securities markets in general, including any reduction in market indices, (iii) in or relating to currency exchange rates, (iv) in or relating to the industries in which such person operates in general or the market for gold in general, (v) in or relating to GAAP or regulatory accounting requirements, (vi) in or relating to any Applicable Laws or any interpretation thereof by any Governmental Entity, (vii) in or relating to the Qatari Transactions, or (viii) relating to a change in the market trading price of the European Goldfields Shares either: (A) related to the Arrangement Agreement and the Arrangement or the announcement thereof; or (B) related to such a change in the market trading price primarily resulting from a change, effect, event or occurrence excluded from this definition of “European Goldfields Material Adverse Effect” under subsections (i) to (vi) above, provided, however, that such effect referred to in subsections (ii) to (vi) above does not primarily relate to (or have

the effect of primarily relating to) European Goldfields or its Subsidiaries or disproportionately adversely affect European Goldfields and its Subsidiaries, taken as a whole, compared to other companies of similar size operating in the industry in which European Goldfields and its Subsidiaries operate; and references in the Arrangement Agreement to dollar amounts are not intended to be and shall not be deemed to be illustrative or interpretative for purposes of determining whether an “European Goldfields Material Adverse Effect” has occurred;

“**European Goldfields Meeting**” means the special meeting of European Goldfields Shareholders scheduled to be held at 11:00 a.m. (Toronto time) on February 21, 2012, for the purpose of voting on the Arrangement Resolution and all other matters that may properly come before the European Goldfields Meeting and any adjournment or postponement thereof;

“**European Goldfields Mineral Rights**” means all of European Goldfields’ and its Subsidiaries’ material mineral interests and rights (including any material claims, concessions, exploration licences, exploitation licences, prospecting permits, mining leases and mining rights, in each case, either existing under contract, by operation of Law or otherwise);

“**European Goldfields Option Holders**” at any time means holders of European Goldfields Options;

“**European Goldfields Option Plan**” means means the share option plan of European Goldfields, approved by European Goldfields Shareholders at a meeting held on June 9, 2005, as amended at a meeting of European Goldfields Shareholders held on May 19, 2008 and at a meeting of European Goldfields Shareholders held on May 12, 2010;

“**European Goldfields Options**” means the outstanding options to purchase European Goldfields Shares granted under a European Goldfields Option Plan;

“**European Goldfields Public Documents**” means all forms, reports, schedules, statements and other documents filed by European Goldfields since December 31, 2010 with all applicable Governmental Entities;

“**European Goldfields RSUs**” means the restricted share units issued under the European Goldfields RSU Plan, including JOE Awards (as defined in the European Goldfields RSU Plan) issued to the trustee of the European Goldfields JOE Plan;

“**European Goldfields RSU Plan**” means the restricted share unit plan approved by European Goldfields Shareholders at a meeting held on June 9, 2005, as amended at a meeting of European Goldfields Shareholders held on May 19, 2008 and at a meeting of European Goldfields Shareholders held on May 12, 2010;

“**European Goldfields RSU Holders**” at any time means holders of European Goldfields RSUs;

“**European Goldfields Securities**” means, collectively, the European Goldfields Shares, European Goldfields Options and European Goldfields RSUs;

“**European Goldfields Securityholders**” means, collectively, the European Goldfields Shareholders, European Goldfields Option Holders and European Goldfields RSU Holders;

“**European Goldfields Shareholders**” means the holders of European Goldfields Shares;

“European Goldfields Shares” means the common shares in the capital of European Goldfields;

“European Goldfields Termination Fee” has the meaning ascribed thereto under “The Arrangement Agreement”;

“European Goldfields Termination Fee Event” has the meaning ascribed thereto under “The Arrangement Agreement”;

“European Goldfields Voting Agreements” means the voting agreements (including all amendments thereto) between European Goldfields and the directors and senior officers of Eldorado setting forth the terms and conditions upon which they agree, among other things, to vote their Eldorado Shares in favour of the Eldorado Resolution.

“Final Order” means the final order of the Court pursuant to Section 195 of the YBCA, in a form acceptable to European Goldfields and Eldorado, each acting reasonably, approving the Arrangement, as such order may be amended by the Court (with the consent of both European Goldfields and Eldorado, each acting reasonably) at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended (provided, however, that any such amendment is acceptable to both European Goldfields and Eldorado, each acting reasonably) on appeal;

“Foreign Antitrust Filing” means a filing that must be made by either Party (or both Parties) to a Governmental Entity under any applicable antitrust, competition or similar Law applicable to the transactions contemplated by the Arrangement Agreement;

“Foreign Antitrust Clearance” means any legally required approval or clearance shall have been received from a Governmental Entity and/or any applicable waiting period shall have expired or been terminated or waived by a Governmental Entity in relation to any Foreign Antitrust Filing identified by Eldorado or European Goldfields and which Foreign Antitrust Filing Eldorado and European Goldfields, acting reasonably, have agreed is required to be made to consummate the transactions contemplated by the Arrangement Agreement;

“GAAP” means, in relation to any financial year beginning on or before December 31, 2010, generally accepted accounting principles in Canada as adopted by the Canadian Institute of Chartered Accountants, and, in relation to any financial period beginning after December 31, 2010, International Financial Reporting Standards.

“Governmental Entity” means: (a) any multinational, federal, provincial, territorial, state, regional, municipal, local or other government, governmental department, central bank, court, tribunal, ministry, arbitral body, commission, board, bureau, agency or entity, domestic or foreign; (b) any stock exchange, including the TSX, the NYSE, the ASX or AIM; (c) any subdivision, agent, commission, board or authority of any of the foregoing; or (d) any quasi-governmental or private body, including any tribunal, commission, regulatory agency or self-regulatory organization, exercising any administrative, regulatory, expropriation or taxing authority under or for the account of any of the foregoing;

“Heads of Terms” means the binding heads of terms entered into by European Goldfields with Qatar Holding on October 1, 2011;

“**Holder**” means a registered holder of European Goldfields Shares or any person who surrenders to the Depositary certificates representing such European Goldfields Shares duly endorsed for transfer to such person in accordance with the Letter of Transmittal;

“**Interim Order**” means the interim order of the Court dated January 23, 2012, providing for, among other things, the calling and holding of the European Goldfields Meeting, attached as Appendix D hereto;

“**IRS**” means the United States Internal Revenue Service;

“**ITA**” means the *Income Tax Act* (Canada) and the regulations thereunder, as amended from time to time;

“**Law**” or “**Laws**” means all laws (including common law), by-laws, statutes, rules, regulations, principles of law and equity, orders, rulings, ordinances, judgments, injunctions, determinations, awards, decrees or other requirements, whether domestic or foreign, and the terms and conditions of any Permit of or from any Governmental Entity or self-regulatory authority (including the TSX, the NYSE, the ASX and AIM), and the term “**applicable**” with respect to such Laws and in a context that refers to a Party, means such Laws as are applicable to such Party and/or its Subsidiaries or their business, undertaking, property or securities and emanate from a Person having jurisdiction over the Party and/or its Subsidiaries or its or their business, undertaking, property or securities;

“**Lazard**” means Lazard & Co., Limited, which is authorised and regulated in the United Kingdom by the UK Financial Services Authority, is acting exclusively for the European Goldfields Board and no-one else in connection with the Arrangement and will not be responsible to any other person for providing the protections afforded to clients of Lazard nor for providing advice in relation to the Arrangement or any other matter referred to in this Circular. Neither Lazard nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever to any person who is not a client of Lazard in connection with this Circular, any statement contained herein or otherwise;

“**Lazard Fairness Opinion**” means the opinion dated December 18, 2011 prepared by Lazard in connection with the Arrangement, as described under “The Arrangement – Opinions of BMO Capital Markets and Lazard” in this Circular and attached as Appendix C hereto;

“**Letter of Transmittal**” means the letter of transmittal, a form of which accompanies this Circular, to be completed by European Goldfields Shareholders in connection with the Arrangement;

“**Material Fact**” has the meaning given to such term in the Securities Act;

“**Mineral Rights**” means all of European Goldfields’ and its Subsidiaries’ material mineral interests and rights (including any material claims, concessions, exploration licences, exploitation licences, prospecting permits, mining leases and mining rights, in each case, either existing under contract, by operation of Law or otherwise);

“**NI 43-101**” means National Instrument 43-101, *Standards of Disclosure for Mineral Projects*, of the Canadian Securities Authorities;

“**Non-Resident Dissenting Shareholder**” means a Non-Resident Shareholder who exercises Dissent Rights and is ultimately entitled to be paid fair value for his, her or its European Goldfields Shares;

“Non-Resident Shareholder” has the meaning ascribed thereto under “Canadian Federal Income Tax Considerations”;

“NYSE” means the New York Stock Exchange;

“Option Exchange Ratio” means 0.85;

“Option Shares” means the Eldorado Shares issuable on exercise of the Eldorado Replacement Options.

“Outside Date” means April 30, 2012, or such later date as may be agreed to in writing by the Parties;

“Parties” means European Goldfields and Eldorado, and **“Party”** means any one of them;

“Permit” means any license, permit, certificate, consent, order, grant, approval, agreement, classification, restriction, registration or other Authorization of, from or required by any Governmental Entity;

“Person” includes an individual, partnership, association, body corporate, trustee, executor, administrator, legal representative, government (including any Governmental Entity) or any other entity, whether or not having legal status;

“Phoenix” means Phoenix Advisory Partners, the proxy solicitation agent retained by European Goldfields;

“Plan of Arrangement” means the plan of arrangement in respect of the Arrangement attached as Schedule A to the Arrangement Agreement which is appended as Appendix B hereto, and any amendment thereto;

“Pre-Acquisition Reorganization” has the meaning ascribed thereto under “The Arrangement Agreement – Covenants - Pre-Acquisition Reorganization”

“Properties” means all of European Goldfields’ and its Subsidiaries’ material real properties and **“Property”** means any one of them;

“Qatari Break Fee” means the US\$7.5 million liquidated damages payment that is described in Section 3 of the Heads of Terms, “General – Process”;

“Qatar Holding” means Qatar Holding LLC;

“Qatari Transactions” means the transactions contemplated by the Heads of Terms and all matters related thereto;

“Qatari Transactions Vote” means the vote by European Goldfields Shareholders on the ordinary resolution with respect to European Goldfields entering into the Qatari Transactions;

“Qualified Person” means, in accordance with NI 43-101, an individual who is an engineer or geoscientist with at least five years of experience in mineral exploration, mine development or operation or mineral project assessment, or any combination of these; has experience relevant to the subject matter of the mineral project and the technical report; and is a member or licensee in good standing of a professional association;

“**Record Date**” means January 19, 2012;

“**Registered Shareholder**” means a registered holder of European Goldfields Shares as recorded in the shareholder register of European Goldfields maintained by Computershare;

“**Regulation S**” means Regulation S promulgated under the U.S. Securities Act;

“**Resident Dissenting Shareholder**” means a Resident Shareholder who exercises Dissent Rights and is ultimately entitled to be paid fair value for his, her or its European Goldfields Shares;

“**Resident Shareholder**” has the meaning ascribed thereto under “Canadian Federal Income Tax Considerations”;

“**SEC**” means the United States Securities and Exchange Commission;

“**Section 3(a)(10) Exemption**” means the exemption from the registration requirements of the U.S. Securities Act provided under Section 3(a)(10) thereof;

“**Securities Act**” means the *Securities Act* (Ontario) and the rules, regulations and published policies made thereunder, as now in effect and as they may be promulgated or amended from time to time;

“**SEDAR**” means the System for Electronic Document Analysis and Retrieval of the Canadian Securities Administrators;

“**Special Committee**” means the special committee of the European Goldfields Board, composed of independent directors, established to consider, among other things, the Arrangement;

“**Subsidiary**” or “**subsidiary**” means with respect to a specified person, (a) any corporation, partnership, joint venture, association, limited liability company, unlimited liability company or other person or organization, incorporated or unincorporated, which is a subsidiary as defined in the YBCA of such specified person, (b) a partnership of which such specified person or another of its Subsidiaries is a general partner or owns beneficially more than 50% of the ownership interests, or (c) a Subsidiary (as defined in clause (a) or (b) hereof) or any person described in clause (a) or (b) hereof of any Subsidiary (as so defined) thereof;

“**Superior Proposal**” means the unsolicited *bona fide* Acquisition Proposal made by a third party to a Party or its shareholders in writing after the date hereof: (i) to purchase or otherwise acquire, directly or indirectly, by means of a merger, take-over bid, amalgamation, plan of arrangement, business combination, consolidation, recapitalization, liquidation, winding-up or similar transaction, all of the European Goldfields Shares or all of the Eldorado Shares or all or substantially all of the assets of European Goldfields or Eldorado on a consolidated basis; (ii) that is reasonably capable of being completed without undue delay, taking into account all legal, financial, regulatory and other aspects of such proposal and the party making such proposal; (iii) that is not subject to any financing condition and in respect of which any required financing to complete such Acquisition Proposal has been demonstrated to be reasonably likely to be available to the satisfaction of the board of directors of such Party, acting in good faith (after receipt of advice from its financial advisors and outside legal counsel); (iv) which is not subject to a due diligence or access condition beyond the fifth Business Day after which the Person making the Acquisition Proposal is first afforded access to the books, records and personnel of European Goldfields; (v) that did not result from a breach of the non-solicitation provisions of the Arrangement

Agreement by the receiving Party or its representatives; (vi) that is made available to all European Goldfields Shareholders or Eldorado Shareholders, as the case may be, on the same terms and conditions (but, for greater certainty, does not restrict the provision of Collateral Benefits to any one or more European Goldfields Shareholders); and (vii) in respect of which the board of directors of such Party determines in good faith (after receipt of advice from its outside legal counsel with respect to (x) below and financial advisors with respect to (y) below) that (x) failure to recommend such Acquisition Proposal to its shareholders would be inconsistent with its fiduciary duties and (y) which would, taking into account all of the terms and conditions of such Acquisition Proposal, if consummated in accordance with its terms (but not assuming away any risk of non-completion), result in a transaction more favourable to its shareholders from a financial point of view than the Arrangement (including any adjustment to the terms and conditions of the Arrangement proposed by the other Party pursuant to the terms of the Arrangement Agreement;

“**Tax Election**” has the meaning ascribed thereto under “Canadian Federal Income Tax Considerations”;

“**TSX**” means the Toronto Stock Exchange;

“**United States**” means the United States of America, its territories and possessions, any state of the United States and the District of Columbia;

“**U.S. Exchange Act**” means the United States *Securities Exchange Act of 1934*, as amended and the rules and regulations promulgated thereunder;

“**U.S. Holder**” has the meaning ascribed thereto under “United States Federal Income Tax Considerations - General”;

“**U.S. Person**” has the meaning ascribed to it in Rule 902(k) of Regulation S of the U.S. Securities Act;

“**U.S. Securities Act**” means the United States *Securities Act of 1933*, as amended and the rules and regulations promulgated thereunder;

“**U.S. Shareholder**” means European Goldfields Shareholders in the United States;

“**U.S. Tax Code**” has the meaning ascribed thereto under “United States Federal Income Tax Considerations”; and

“**YBCA**” means the *Business Corporations Act* (Yukon) and the regulations made thereunder, as now in effect and as they may be promulgated from time to time.

CONSENT OF KPMG LLP

We have read the Management Information Circular of European Goldfields Limited dated January 23, 2012 relating to the proposed arrangement involving European Goldfields Limited and Eldorado Gold Corporation. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the incorporation by reference in the above mentioned Management Information Circular of our report to the shareholders of Eldorado Gold Corporation on the consolidated financial statements of Eldorado Gold Corporation, which comprise the consolidated balance sheets as at December 31, 2010 and December 31, 2009, the consolidated statements of operations, cash flows, shareholders' equity and comprehensive income for the years then ended, and notes, comprising a summary of significant accounting policies and other explanatory information. Our report is dated March 16, 2011.

(signed) "KPMG LLP"
Chartered Accountants

January 23, 2012
Vancouver, Canada

CONSENT OF ERNST & YOUNG LLP

We have read the Notice of Special Meeting and Information Circular (the "Circular") of European Goldfields Limited (the "Company") dated January 23, 2012 relating to the special meeting of the shareholders of the Company to approve the proposed arrangement between the Company and Eldorado Gold Corporation. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the incorporation by reference, in the above mentioned Circular of our report to the shareholders of the Company in the consolidated balances sheets of the Company as at December 31, 2010 and 2009 and the consolidated statements of profit and loss, shareholders equity, cash flows, and other comprehensive income/(loss) for the years then ended. Our report is dated March 15, 2011.

(signed) "ERNST & YOUNG LLP"
Chartered Accountants

London, United Kingdom
January 23, 2012

CONSENT OF BMO NESBITT BURNS INC.

To: The Directors of European Goldfields Limited

We hereby consent to the references to our firm name and to the reference to our fairness opinion dated December 18, 2011 (the "**Opinion**") contained under the headings "Summary - The Arrangement - Recommendation of the Special Committee", "Summary - The Arrangement - Reasons for the Arrangement", "Summary - The Arrangement - Opinions BMO Capital Markets and Lazard", "The Arrangement - Background to the Arrangement", "The Arrangement - Recommendation of the Special Committee", "The Arrangement - Reasons for the Arrangement" and "The Arrangement - Opinions of BMO Capital Markets and Lazard" and the inclusion of the text of the Opinion dated December 18, 2011 as Appendix C to the Circular dated January 23, 2012. The Opinion was given as at December 18, 2011 and remains subject to the assumptions qualifications and limitations contained therein. In providing our consent, we do not intend that any person other than the Board of Directors and the Special Committee of the Board of Directors of European Goldfields Limited shall be entitled to rely upon the Opinion.

(signed) "**BMO NESBITT BURNS INC.**"

Toronto, Canada
January 23, 2012

CONSENT OF LAZARD & CO., LIMITED

To: The Directors of European Goldfields Limited

We hereby consent to the references to our firm name and to the reference to our fairness opinion dated December 18, 2011 (the "**Opinion**") contained under the headings "Summary - The Arrangement - Recommendation of the Special Committee", "Summary - The Arrangement - Reasons for the Arrangement", "Summary - The Arrangement - Opinions BMO Capital Markets and Lazard", "The Arrangement - Background to the Arrangement", "The Arrangement - Recommendation of the Special Committee", "The Arrangement - Reasons for the Arrangement" and "The Arrangement - Opinions of BMO Capital Markets and Lazard" and the inclusion of the text of the Opinion dated December 18, 2011 as Appendix C to the Circular dated January 23, 2012. The Opinion was given as at December 18, 2011 and remains subject to the assumptions qualifications and limitations contained therein. In providing our consent, we do not intend that any person other than the Board of Directors and the Special Committee of the Board of Directors of European Goldfields Limited shall be entitled to rely upon the Opinion.

(signed) "**LAZARD & CO., LIMITED**"

London, England
January 23, 2012

**APPENDIX A
ARRANGEMENT RESOLUTION**

BE IT RESOLVED, AS A SPECIAL RESOLUTION, THAT:

1. The arrangement (the “**Arrangement**”) under Section 195 of the *Business Corporations Act* (Yukon) (the “**YBCA**”) of European Goldfields Limited, a corporation existing under the laws of the Yukon Territory (“**European Goldfields**”) and Eldorado Gold Yukon Corp, a corporation incorporated under the YBCA (“**Eldorado Holdco**”) that is a wholly owned subsidiary of Eldorado Gold Corporation, a corporation existing under the laws of Canada (“**Eldorado**”), all as more particularly described and set forth in the Management Proxy Circular (the “**Circular**”) of European Goldfields dated January 23, 2012 accompanying the notice of this meeting (as the Arrangement may be, or may have been, modified or amended in accordance with its terms), is hereby authorized, approved and adopted.
2. The amended and restated arrangement agreement (the “**Arrangement Agreement**”) between European Goldfields and Eldorado, dated January 19, 2012 and all the transactions contemplated therein, the actions of the directors of European Goldfields in approving the Arrangement and the actions of the directors and officers of European Goldfields in executing and delivering the Arrangement Agreement and any amendments thereto are hereby ratified and approved.
3. The plan of arrangement (the “**Plan of Arrangement**”) of European Goldfields and Eldorado Holdco and implementing the Arrangement, the full text of which is set out in Appendix B to the Circular (as the Plan of Arrangement may be, or may have been, modified or amended in accordance with its terms), is hereby authorized, approved and adopted.
4. Notwithstanding that this resolution has been passed (and the Arrangement approved) by the shareholders of European Goldfields or that the Arrangement has been approved by the Yukon Supreme Court, the directors of European Goldfields are hereby authorized and empowered, without further notice to, or approval of, the securityholders of European Goldfields:
 - (a) to amend the Arrangement Agreement or the Plan of Arrangement to the extent permitted by the Arrangement Agreement or the Plan of Arrangement; or
 - (b) subject to the terms of the Arrangement Agreement, not to proceed with the Arrangement.
5. Any director or officer of European Goldfields is hereby authorized and directed for and on behalf of European Goldfields to execute, whether under corporate seal of European Goldfields or otherwise, and to deliver articles of arrangement and amalgamation and such other documents as are necessary or desirable to the Registrar under the YBCA in accordance with the Arrangement Agreement for filing.
6. Any one or more directors or officers of European Goldfields is hereby authorized, for and on behalf and in the name of European Goldfields, to execute and deliver, whether under corporate seal of European Goldfields or otherwise, all such agreements, forms waivers, notices, certificate, confirmations and other documents and instruments and to do or cause to be done all such other acts and things as in the opinion of such director or officer may be necessary, desirable or useful for the purpose of giving effect to these resolutions, the Arrangement Agreement and the completion of the Plan of Arrangement in accordance with the terms of the Arrangement Agreement, including:

- (a) all actions required to be taken by or on behalf of European Goldfields, and all necessary filings and obtaining the necessary approvals, consents and acceptances of appropriate regulatory authorities; and
- (b) the signing of the certificates, consents and other documents or declarations required under the Arrangement Agreement or otherwise to be entered into by European Goldfields;
- (c) such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing.

**APPENDIX B
PLAN OF ARRANGEMENT**

UNDER SECTION 195 OF THE YUKON BUSINESS CORPORATIONS ACT

**ARTICLE 1
DEFINITIONS AND INTERPRETATION**

1.1 Definitions

In this Plan of Arrangement, unless the context otherwise requires, capitalized terms used but not defined shall have the meanings ascribed to them below:

“Amalco” means the corporation formed upon the amalgamation of Eldorado Holdco and European Goldfields pursuant to the Arrangement;

“Arrangement” means the arrangement of European Goldfields and Eldorado Holdco under Section 195 of the YBCA on the terms and subject to the conditions set out in this Plan of Arrangement, subject to any amendments or variations thereto made in accordance with Section 8.4 of the Arrangement Agreement or this Plan of Arrangement or made at the direction of the Court in the Final Order (provided, however, that any such amendment or variation is acceptable to both European Goldfields and Eldorado, each acting reasonably);

“Arrangement Agreement” means the amended and restated arrangement agreement dated as of January 19, 2012 between Eldorado and European Goldfields, as further amended, amended and restated or supplemented prior to the Effective Date;

“Arrangement Resolution” means the special resolution of the European Goldfields Shareholders and European Goldfields Securityholders, voting as a single class, approving the Plan of Arrangement which is to be considered at the European Goldfields Meeting;

“Articles of Amalgamation” means the articles of amalgamation of European Goldfields and, if required, Eldorado Holdco to be filed in accordance with the terms of the YBCA after the Final Order is made, which shall be in form and content satisfactory to European Goldfields and Eldorado, each acting reasonably;

“Articles of Arrangement” means the articles of arrangement of European Goldfields and Eldorado Holdco to be filed in accordance with the terms of the YBCA after the Final Order is made, which shall be in form and content satisfactory to European Goldfields and Eldorado, each acting reasonably;

“Business Day” means any day other than a Saturday, a Sunday or a statutory or civic holiday in Whitehorse, Yukon Territory, Vancouver, British Columbia or London, England;

“Certificate of Amalgamation” means the certificate of amalgamation to be issued by the Registrar pursuant to Subsection 195(11) of the YBCA in respect of the Articles of Amalgamation;

“Certificate of Arrangement” means the certificate of amendment (by arrangement) to be issued by the Registrar pursuant to Subsection 195(11) of the YBCA in respect of the Articles of Arrangement;

“Consideration” means the consideration to be received by the European Goldfields Shareholders pursuant to this Plan of Arrangement as consideration for each European Goldfields Share, consisting of an indivisible mixture of 0.85 Eldorado Shares and \$0.0001 in cash;

“Court” means the Supreme Court of Yukon;

“Depositary” means any trust company, bank or other financial institution agreed to in writing by European Goldfields and Eldorado for the purpose of, among other things, exchanging certificates representing European Goldfields Shares for the Consideration in connection with the Arrangement;

“Dissent Right” shall have the meaning ascribed thereto in Subsection 4.1(a);

“Dissenting Shareholder” means a registered holder of European Goldfields Shares who dissents in respect of the Arrangement in strict compliance with the Dissent Rights and who is ultimately entitled to be paid fair value for their European Goldfields Shares;

“Dissenting Shares” means European Goldfields Shares held by a Dissenting Shareholder who has demanded and perfected Dissent Rights in respect of the European Goldfields Shares in accordance with the Interim Order and who, as of the Effective Time, has not effectively withdrawn or lost such Dissent Rights;

“Effective Date” means the date shown on the Certificate of Arrangement giving effect to the Arrangement;

“Effective Time” means 12:01 a.m. on the Effective Date;

“Eldorado” means Eldorado Gold Corporation, a corporation existing under the laws of Canada;

“Eldorado Holdco” means Eldorado Gold Yukon Corp, a corporation incorporated under the YBCA that is a direct or indirect wholly-owned subsidiary of Eldorado;

“Eldorado Shares” means the common shares in the authorized share capital of Eldorado;

“Election Deadline” means 11:00 am on February 17, 2012 or, in the event of any adjournment or postponement of the European Goldfields Meeting, two Business Days prior to such adjournment or postponement;

“Election Form” means the election form to be delivered by European Goldfields to European Goldfields DPU Holders in respect of the European Goldfields DPU Election, in such form as is acceptable to European Goldfields and Eldorado, each acting reasonably;

“Eligible Holder” means a beneficial holder of European Goldfields Shares that is: (i) a resident of Canada for the purposes of the Tax Act and not exempt from tax under Part I of the Tax Act; or (ii) a partnership, any member of which is a resident of Canada for the purposes of the Tax Act (other than a partnership, all members of which that are residents of Canada are exempt from tax under Part I of the Tax Act);

“European Goldfields” means European Goldfields Limited, a corporation existing under the YBCA;

“European Goldfields DPU” means a deferred phantom unit under European Goldfields’ deferred phantom unit plan;

“European Goldfields DPU Election” means, in respect of a European Goldfields DPU, an election by a European Goldfields DPU Holder to receive European Goldfields DPU Election Consideration on the Separation Date (as defined in the European Goldfields DPU Plan), which election has been duly made by delivering a duly completed and executed Election Form to European Goldfields on or before the Election Deadline;

“European Goldfields DPU Election Consideration” means, the consideration to be received by a European Goldfields DPU Holder in respect of each European Goldfields DPU held by such holder immediately prior to the Effective Date, consisting of 0.85 of an Eldorado Share;

“European Goldfields DPU Holders” means holders of European Goldfields DPUs;

“European Goldfields DPU Plan” means the deferred phantom unit plan dated December 5, 2008 as amended September 14, 2010;

“European Goldfields JOE Plan” means the European Goldfields Employee Share Trust operated by an independent trustee subject to a trust deed;

“European Goldfields Meeting” means the special meeting of European Goldfields Securityholders, including any adjournment or postponement thereof, to be called and held in accordance with the Interim Order to consider the Arrangement Resolution;

“European Goldfields Option Plan” means the share option plan of European Goldfields, approved by European Goldfields Shareholders at a meeting held on June 9, 2005, as amended at a meeting of European Goldfields Shareholders held on May 19, 2008 and at a meeting of European Goldfields Shareholders held on May 12, 2010;

“European Goldfields Options” means the outstanding options to purchase European Goldfields Shares granted under the European Goldfields Option Plan;

“European Goldfields Option Holders” means holders of European Goldfields Options;

“European Goldfields RSUs” means the restricted share units issued under the European Goldfields RSU Plan, including JOE Awards (as defined in the European Goldfields RSU Plan) issued to the trustee of the European Goldfields JOE Plan;

“European Goldfields RSU Holders” means holders of European Goldfields RSUs;

“European Goldfields RSU Plan” means the restricted share unit plan approved by European Goldfields Shareholders at a meeting held on June 9, 2005, as amended at a meeting of European Goldfields Shareholders held on May 19, 2008 and at a meeting of European Goldfields Shareholders held on May 12, 2010;

“European Goldfields Securities” means, collectively, European Goldfields Shares, European Goldfields RSUs, European Goldfields DPUs and European Goldfields Options;

“European Goldfields Securityholders” means, collectively, European Goldfields Shareholders, European Goldfields RSU Holders and European Goldfields Option Holders.

“European Goldfields Shareholders” means the holders of European Goldfields Shares;

“European Goldfields Shares” means the common shares in the authorized share capital of European Goldfields;

“Final Order” means the final order of the Court pursuant to Section 195 of the YBCA, in a form acceptable to European Goldfields and Eldorado, each acting reasonably, approving the Arrangement as such order may be amended by the Court (with the consent of both European Goldfields and Eldorado, each acting reasonably) at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended (provided, however, that any such amendment is acceptable to both European Goldfields and Eldorado, each acting reasonably) on appeal;

“final proscription date” shall have the meaning ascribed thereto in Section 5.5;

“Interim Order” means the interim order of the Court made pursuant to Section 195(4) of the YBCA, in a form acceptable to European Goldfields and Eldorado, each acting reasonably, providing for, among other things, the calling and holding of the European Goldfields Meeting, as the same may be amended by the Court with the consent of European Goldfields and Eldorado, each acting reasonably;

“Letter of Transmittal” means the letter of transmittal to be forwarded by European Goldfields to Shareholders together with the Circular or such other equivalent form of letter of transmittal acceptable to Eldorado acting reasonably;

“Liens” means any liens, mortgages, pledges, assignments, hypothecs, charges, security interests, encumbrances and adverse rights or claims, other third party interest or encumbrance of any kind, whether contingent or absolute, and any agreement, option, right or privilege (whether by Law, contract or otherwise) capable of becoming any of the foregoing;

“Option Exchange Ratio” means 0.85;

“Parties” means European Goldfields and Eldorado, and **“Party”** means any of them;

“Registrar” means the Registrar appointed pursuant to the YBCA;

“Replacement Option” has the meaning ascribed thereto in Subsection 3.1(e);

“Tax Act” means the *Income Tax Act* (Canada) and the regulations made thereunder, as now in effect and as they may be promulgated or amended from time to time; and

“YBCA” means the *Business Corporations Act* (Yukon) and the regulations made thereunder, as now in effect and as they may be promulgated or amended from time to time.

In addition, words and phrases used herein and defined in the YBCA and not otherwise defined herein shall have the same meaning herein as in the YBCA unless the context otherwise requires.

1.2 Interpretation Not Affected by Headings

For the purposes of this Plan of Arrangement, except as otherwise expressly provided:

- (a) **“this Plan of Arrangement”** means this Plan of Arrangement, including the recitals and Appendices hereto, and not any particular Article, Section, Subsection or other subdivision, recital or Appendix hereof, and includes any agreement, document or instrument entered into, made or delivered pursuant to the terms hereof, as the same may, from time to time, be supplemented or amended and in effect;
- (b) the words **“hereof”, “herein”, “hereto”** and **“hereunder”** and other word of similar import refer to this Plan of Arrangement as a whole and not to any particular Article, Section, Subsection, or other subdivision, recital or Appendix hereof;
- (c) all references in this Plan of Arrangement to a designated **“Article”, “Section”, “Subsection”** or other subdivision, recital or **“Appendix”** hereof are references to the designated Article, Section, Subsections or other subdivision, recital or Appendix to, this Plan of Arrangement;
- (d) the division of this Plan of Arrangement into Article, Sections, Subsections and other subdivisions, recitals or Appendix, the inclusion of a table of contents and the insertion of headings and captions are for convenience of reference only and are not intended to interpret, define or limit the scope, extent or intent of this Plan of Arrangement or any provision hereof;
- (e) a reference to a statute in this Plan of Arrangement includes all regulations, rules, policies or instruments made thereunder, all amendments to the statute, regulations, rules, policies or instruments in force from time to time, and any statutes, regulations, rules, policies or instruments that supplement or supersede such statute, regulations, rules, policies or instruments;
- (f) the word **“or”** is not exclusive;
- (g) the word **“including”** is not limiting, whether or not non-limiting language (such as **“without limitation”** or **“but not limited to”** or words of similar import) is used with reference thereto; and
- (h) all references to **“approval”, “authorization”** or **“consent”** in this Plan of Arrangement means written approval, authorization or consent.

1.3 Number, Gender and Persons

In this Plan of Arrangement, unless the context otherwise requires, words importing the singular shall include the plural and vice versa, words importing the use of either gender shall include both genders and neuter and the word person and words importing persons shall include a natural person, firm, trust, partnership, association, corporation, joint venture or government (including any governmental agency, political subdivision or instrumentality thereof) and any other entity or group of persons of any kind or nature whatsoever.

1.4 Date for any Action

If the date on which any action is required to be taken hereunder is not a Business Day, such action shall be required to be taken on the next succeeding day which is a Business Day.

1.5 Currency

Unless otherwise stated, all references in this Agreement to sums of money are expressed in lawful money of Canada and "\$" refers to Canadian dollars.

1.6 Time

Time shall be of the essence in every matter or action contemplated hereunder. All times expressed herein are local time in Vancouver, British Columbia unless otherwise stipulated herein.

ARTICLE 2 ARRANGEMENT AGREEMENT

2.1 Arrangement Agreement

This Plan of Arrangement is made pursuant to, and is subject to the provisions of, the Arrangement Agreement, except in respect of the sequence of the steps comprising the Arrangement, which shall occur in the order set forth herein.

2.2 Binding Effect

At the Effective Time, this Plan of Arrangement shall be binding on:

- (a) European Goldfields;
- (b) Eldorado Holdco and Amalco;
- (c) all registered and beneficial holders of European Goldfields Shares, including Dissenting Shareholders;
- (d) all registered and beneficial holders of European Goldfields Securities; and
- (e) all other Persons served with notice of the final application to approve the Plan of Arrangement.

ARTICLE 3 ARRANGEMENT

3.1 Arrangement

Commencing at the Effective Time, except as otherwise noted herein, the following shall occur and shall be deemed to occur sequentially, in the following order, without any further act or formality required on the part of any person, in each case effective as at the Effective Time:

- (a) 343,332 European Goldfields RSUs shall be granted pursuant to the European Goldfields RSU Plan and 525,000 European Goldfields DPUs shall be granted pursuant to the European Goldfields DPU Plan to those individuals identified in a resolution of the board of directors of European Goldfields dated prior to the Effective Date;
- (b) the Effective Date shall be deemed to be the vesting date for all of the then issued and outstanding European Goldfields RSUs, and European Goldfields shall allot and issue to each holder of a European Goldfields RSU such number of European Goldfields Shares as are due to such holder under the terms of the European Goldfields RSU Plan (less any amounts withheld pursuant to Section 5.4 of this Plan of Arrangement) and thereafter

the European Goldfields RSU Plan will terminate and none of the former holders of European Goldfields RSUs, European Goldfields, Eldorado or any of their respective successors or assigns shall have any rights, liabilities or obligations in respect of the European Goldfields RSU Plan;

- (c) each European Goldfields Share held by a Dissenting Shareholder in respect of which the European Goldfields Shareholder has validly exercised his, her or its Dissent Right shall be directly transferred and assigned by such Dissenting Shareholder to Eldorado (free and clear of any liens, charges and encumbrances of any nature whatsoever) in accordance with Article 4 hereof;
- (d) each European Goldfields Share (other than any European Goldfields Shares held by Eldorado and any Dissenting Shareholder) shall be deemed to be transferred to Eldorado (free and clear of any liens, charges and encumbrances of any nature whatsoever) in exchange for the Consideration;
- (e) each European Goldfields Option, which is outstanding and has not been duly exercised prior to the Effective Date, shall be exchanged for an option (each, a “**Replacement Option**”) to purchase from Eldorado the number of Eldorado Shares (rounded down to the nearest whole share) equal to: (i) the Option Exchange Ratio multiplied by (ii) the number of European Goldfields Shares subject to such European Goldfields Option immediately prior to the Effective Date. Such Replacement Option shall provide for an exercise price per Eldorado Share (rounded up to the nearest whole cent) equal to: (x) the exercise price per European Goldfields Share otherwise purchasable pursuant to such European Goldfields Option; divided by (y) the Option Exchange Ratio. All terms and conditions of a Replacement Option, including the term to expiry, conditions to and manner of exercising, will be the same as the European Goldfields Option for which it was exchanged, and shall be governed by the terms of the applicable European Goldfields Option Plan and any certificate or option agreement previously evidencing the European Goldfields Option shall thereafter evidence and be deemed to evidence such Replacement Option and such Replacement Options shall be designed to meet the requirements under Subsection 7(1.4) of the Tax Act;
- (f) the DPU Payment (as defined in the European Goldfields DPU Plan) for each European Goldfields DPU held by a European Goldfields DPU Holder in respect of which the European Goldfields DPU Election is made on or prior to the Election Deadline, shall be satisfied, on behalf of European Goldfields, on the applicable Separation Date (as defined in the European Goldfields DPU Plan), by the European Goldfields DPU Election Consideration, and after such Separation Date, such European Goldfields DPU Holders or any of their respective successors or assigns shall have not any rights, liabilities or obligations in respect of the European Goldfields DPU Plan;
- (g) from and after the Effective Date, no additional European Goldfields DPUs shall be issued under the European Goldfields DPU Plan (including in connection with the declaration of any dividends);
- (h) with respect to each European Goldfields Share transferred and assigned in accordance with Subsection 3.1(c) or 3.1(d) hereto:
 - (i) the registered holder thereof shall cease to be the registered holder of such European Goldfields Share and the name of such registered holder shall be

removed from the register of European Goldfields Shareholders as of the Effective Time;

- (ii) the registered holder thereof shall be deemed to have executed and delivered all consents, releases, assignments and waivers, statutory or otherwise, required to transfer and assign such European Goldfields Share in accordance with Subsection 3.1(c) or 3.1(d) hereto, as applicable; and
- (iii) Eldorado will be the holder of all of the outstanding European Goldfields Shares and the register of European Goldfields Shareholders shall be revised accordingly;
- (i) Eldorado will sell all of the European Goldfields Shares acquired under Subsection 3.1 (c) and (d) hereto to Eldorado Holdco in exchange for 100,000 common shares of Eldorado Holdco;
- (j) the stated capital of the European Goldfields Shares shall be reduced to \$1.00 without payment or distribution in respect thereof; and
- (k) Eldorado Holdco and European Goldfields shall be amalgamated and continued as one corporation under the YBCA to form Amalco in accordance with the following:
 - (i) *Name.* The name of Amalco shall be such name as Eldorado may determine;
 - (ii) *Registered Office.* The registered office of Amalco shall be the registered office of Eldorado Holdco;
 - (iii) *Share Provisions.* Amalco shall be authorized to issue an unlimited number of common shares of Amalco;
 - (iv) *Restrictions on Transfer.* No shares of Amalco shall be transferred to any person without the approval of the Board of Directors of Amalco;
 - (v) *Directors and Officers.*
 - (A) *Minimum and Maximum.* The directors of Amalco shall, until otherwise changed in accordance with the YBCA, consist of a minimum number of one director and a maximum number of ten directors;
 - (B) *Initial Directors.* The initial directors of Amalco shall be the directors of Eldorado Holdco; and
 - (C) *Initial Officers.* The initial officers of Amalco shall be the officers of Eldorado Holdco;
 - (vi) *Business and Powers.* There shall be no restrictions on the business Amalco may carry on or on the powers it may exercise;
 - (vii) *Stated Capital.* The aggregate stated capital of Amalco will be an amount equal to the aggregate of the stated capital for the shares of Eldorado Holdco immediately before the Effective Date;

- (viii) *By-laws.* The by-laws of Amalco shall be the by-laws of Eldorado Holdco, mutatis mutandis;
- (ix) *Effect of Amalgamation.* The provisions of subsections 188(b), (c), (d), (e) and (f) of the YBCA shall apply to the amalgamation with the result that:
 - (A) all of the property of each of Eldorado Holdco and European Goldfields (other than the shares in the capital of European Goldfields) shall continue to be the property of Amalco;
 - (B) Amalco shall continue to be liable for all of the obligations of each of Eldorado Holdco and European Goldfields;
 - (C) any existing cause of action, claim or liability to prosecution of Eldorado Holdco or European Goldfields shall be unaffected;
 - (D) any civil, criminal or administrative action or proceeding pending by or against Eldorado Holdco or European Goldfields may be continued to be prosecuted by or against Amalco; and
 - (E) a conviction against, or ruling, order or judgment in favour of or against, Eldorado Holdco or European Goldfields may be enforced by or against Amalco;
- (x) *Articles.* The Articles of Amalgamation shall be the articles of amalgamation of Amalco; and
- (xi) *Exchange and Cancellation of European Goldfields Shares.* On the amalgamation:
 - (A) each issued and outstanding European Goldfields Share shall be cancelled without further consideration and Eldorado Holdco's name shall be removed from the register of holders of European Goldfields Shares as of the Effective Date; and
 - (B) the issued and outstanding shares of Eldorado Holdco shall be converted into an equal number of shares of Amalco without amendment.

3.2 Post-Effective Time Procedures

- (a) Following the receipt of the Final Order and prior to the Effective Date, Eldorado shall deliver or arrange to be delivered to the Depositary the Consideration, including certificates representing the Eldorado Shares required to be issued to Former European Goldfields Shareholders in accordance with the provisions of Subsection 3.1 (d) hereof, which certificates shall be held by the Depositary as agent and nominee for such Former European Goldfields Shareholders for distribution to such Former European Goldfields Shareholders in accordance with the provisions of Article 5 hereof.
- (b) Subject to the provisions of Article 5 hereof, and upon return of a properly completed Letter of Transmittal by a registered Former European Goldfields Shareholder together with certificates representing European Goldfields Shares and such other documents as the Depositary may require, Former European Goldfields Shareholders shall be entitled

to receive delivery of the certificates representing the Eldorado Shares and cheques representing the cash to which they are entitled pursuant to Subsection 3.1(c) and (d) hereof.

- (c) An Eligible Holder whose European Goldfields Shares are exchanged for the Consideration pursuant to the Arrangement shall be entitled to make an income tax election, pursuant to section 85 of the Tax Act (and any analogous provision of provincial income tax law) (a “**Section 85 Election**”) with respect to the exchange by providing the necessary information in accordance with the procedures set out in the tax instruction letter on or before 90 days after the Effective Date. Neither European Goldfields, Eldorado nor any successor corporation shall be responsible for the proper completion of any election form nor, except for the obligation to sign and return duly completed election forms which are received within 90 days of the Effective Date, for any taxes, interest or penalties resulting from the failure of an Eligible Holder to properly complete or file such election forms in the form and manner and within the time prescribed by the Tax Act (or any applicable provincial legislation). In its sole discretion, Eldorado or any successor corporation may choose to sign and return an election form received by it more than 90 days following the Effective Date, but will have no obligation to do so.
- (d) Upon receipt of a Letter of Transmittal in which an Eligible Holder has indicated that such holder wishes to receive a tax instruction letter, Eldorado will promptly deliver a tax instruction letter to such holder. The tax instruction letter will provide general instructions on how to make the Section 85 Election with Eldorado in order to obtain a full or partial tax-deferred rollover for Canadian income tax purposes in respect of the sale of the Eligible Holder’s European Goldfields Shares to Eldorado.
- (e) On each Separation Date for European Goldfields DPUs in respect of which the European Goldfields DPU Election has been made on or prior to the Effective Date, Eldorado shall (on behalf of European Goldfields) in respect of such European Goldfields DPUs, issue to each respective holder of such European Goldfields DPU (less any amounts withheld pursuant to Section 5.4 of this Plan of Arrangement) 0.85 of an Eldorado Share for each such European Goldfields DPU, and after all European Goldfields DPUs have been redeemed and the European Goldfields DPU Election Consideration has been paid, the European Goldfields DPU Plan will terminate and none of the European Goldfields DPU Holders, European Goldfields, Eldorado or any of their respective successors or assigns shall have any rights, liabilities or obligations in respect of the European Goldfields DPU Plan.

3.3 Entitlement to Cash Consideration

In any case where the aggregate cash component of the Consideration payable to a particular European Goldfields Securityholder under this Arrangement would, but for this provision, include a fraction of a cent, the consideration payable shall be rounded up to the nearest whole cent.

3.4 No Fractional Eldorado Shares

In no event shall any holder of European Goldfields Securities be entitled to a fractional Eldorado Share. Where the aggregate number of Eldorado Shares to be issued to a European Goldfields Securityholder as consideration under this Arrangement would result in a fraction of a Eldorado Share being issuable, the number of Eldorado Shares to be received by such European Goldfields Securityholder shall be rounded down to the nearest whole Eldorado Share and in lieu of a fractional

Eldorado Share, the European Goldfields Securityholder will receive a cash payment in Canadian dollars (rounded down to the nearest cent) determined on the basis of an amount equal to (i) the volume weighted average trading price on the TSX of the Eldorado Shares over the five Business Days ending one Business Day before the Effective Date, multiplied by the (ii) fractional share amount. Any such cash payable in lieu of fractional Eldorado Shares will be denominated in Canadian dollars.

ARTICLE 4 DISSENT RIGHTS

4.1 Rights of Dissent

- (a) Pursuant to the Interim Order, registered holders of European Goldfields Shares may exercise rights of dissent ("**Dissent Rights**") under Section 193 of the YBCA, as modified by this Article 4, the Interim Order and the Final Order, with respect to European Goldfields Shares in connection with the Arrangement, provided, however, that the written notice setting forth the objection of such registered European Goldfields Shareholders to the Arrangement and exercise of Dissent Rights must be received by European Goldfields not later than 5:00 p.m. on the Business Day that is two (2) Business Days before the European Goldfields Meeting or any date to which the European Goldfields Meeting may be postponed or adjourned and provided further that holders who exercise such Dissent Rights and who:
- (i) are ultimately entitled to be paid fair value for their European Goldfields Shares, which fair value, notwithstanding anything to the contrary contained in the YBCA, shall be determined as of the close of business on the day before the Effective Date, shall be deemed to have transferred their European Goldfields Shares to Eldorado in exchange for the right to be paid fair value for such European Goldfields Shares, and Eldorado shall thereupon be obligated to pay the amount therefore determined to be the fair value of such European Goldfields Shares; and
 - (ii) are ultimately not entitled, for any reason, to be paid fair value for their European Goldfields Shares shall be deemed to have participated in the Arrangement, as of the Effective Time, on the same basis as a non-dissenting holder of European Goldfields Shares and shall be entitled to receive only the Consideration contemplated in Subsection 3.1(d) hereof that such holder would have received pursuant to the Arrangement if such holder had not exercised Dissent Rights;
- (b) In no circumstances shall European Goldfields, Eldorado or any other Person be required to recognize a Person purporting to exercise Dissent Rights unless such Person is a registered holder of those European Goldfields Shares in respect of which such rights are sought to be exercised; and
- (c) For greater certainty, in no case shall European Goldfields, Eldorado or any other Person be required to recognize Dissenting Shareholders as holders of European Goldfields Shares after the Effective Time, and the names of such Dissenting Shareholders shall be deleted from the register of European Goldfields Shareholders as of the Effective Time. In addition to any other restrictions under Section 193 of the YBCA, and for greater certainty, none of the following shall be entitled to exercise Dissent Rights: (i) holders of European Goldfields Options and European Goldfields RSUs; and (ii) European

Goldfields Shareholders who vote, or who have instructed a proxyholder to vote, in favour of the Arrangement Resolution.

ARTICLE 5
DELIVERY OF ELDORADO SHARES AND CASH

5.1 Delivery of Eldorado Shares and Cash

- (a) Upon surrender to the Depository for cancellation of a certificate that immediately before the Effective Time represented one or more outstanding European Goldfields Shares that were exchanged for Eldorado Shares in accordance with Subsection 3.1 (d) hereof (other than a European Goldfields Share that was issued on the exercise of a European Goldfields RSU in accordance with Subsection 3.1(b) hereof and exchanged for Eldorado Shares in accordance with Subsection 3.1(d) hereof) together with such other documents and instruments as would have been required to effect the transfer of the European Goldfields Shares formerly represented by such certificate under the YBCA and the articles of European Goldfields and such additional documents and instruments as the Depository may reasonably require, the holder of such surrendered certificate shall be entitled to receive in exchange therefor, and the Depository shall deliver to such holder following the Effective Time, a certificate representing the Eldorado Shares and a cheque representing the cash that such holder is entitled to receive in accordance with Subsection 3.1(d) hereof.
- (b) Upon delivery to the Depository of such documents and other instruments as would have been required to effect the transfer, under the YBCA and the articles of European Goldfields, of the European Goldfields Shares which were issued upon exercise of a European Goldfields RSU in accordance with Subsection 3.1(b) and exchanged for Eldorado Shares in accordance with Subsection 3.1 (d) hereof, together with such additional documents and instruments as the Depository may reasonably require, the former holder of such European Goldfields Shares shall be entitled to receive in exchange therefor, and the Depository shall deliver to such holder following the Effective Time a certificate representing the Eldorado Shares and a cheque representing the cash that such holder is entitled to receive in accordance with Subsection 3.1 (d) hereof, except that the Depository shall withhold and not deliver to a particular holder share certificates representing such number of Eldorado Shares as it reasonably believes are necessary to be retained and sold by the Depository on behalf of European Goldfields in order to satisfy any withholding tax obligation arising in respect of the issuance of European Goldfields Shares to the holders under the European Goldfields RSU Plan in accordance with Subsection 3.1(b).
- (c) The Depository shall, forthwith and acting reasonably, sell the Eldorado Shares retained in accordance with Section 5.1(b) and remit the appropriate amount in respect of each holder to the appropriate taxing authority, and to the extent the sale proceeds of the Eldorado Shares so retained in respect of a particular holder (less all reasonable selling expenses) exceeds the actual withholding obligation arising in respect of that holder, the excess shall forthwith be paid to the holder in cash. All amounts so remitted to the appropriate taxing authority in respect of a particular holder shall be treated for all purposes hereof as having been paid to that particular holder.
- (d) After the Effective Time and until surrendered for cancellation as contemplated by Subsection 5.1(a) hereof, each certificate that immediately prior to the Effective Time

represented one or more European Goldfields Shares shall be deemed at all times to represent only the right to receive in exchange therefor the Consideration that the holder of such certificate is entitled to receive in accordance with Section 3.1 hereof.

5.2 Lost Certificates

If any certificate, that immediately prior to the Effective Time represented one or more outstanding European Goldfields Shares that were exchanged for the Consideration in accordance with Section 3.1 hereof, shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the holder claiming such certificate to be lost, stolen or destroyed, the Depository shall deliver in exchange for such lost, stolen or destroyed certificate, the Consideration that such holder is entitled to receive in accordance with Section 3.1 hereof. When authorizing such delivery of Consideration that such holder is entitled to receive in exchange for such lost, stolen or destroyed certificate, the holder to whom such Consideration is to be delivered shall, as a condition precedent to the delivery of such Consideration, give a bond satisfactory to Eldorado and the Depository in such amount as Eldorado and the Depository may direct, or otherwise indemnify Eldorado and the Depository in a manner satisfactory to Eldorado and the Depository, against any claim that may be made against Eldorado or the Depository with respect to the certificate alleged to have been lost, stolen or destroyed and shall otherwise take such actions as may be required by the articles and by-laws of European Goldfields.

5.3 Distributions with Respect to Unsurrendered Certificates

No dividend or other distribution declared or made after the Effective Time with respect to Eldorado Shares with a record date after the Effective Time shall be delivered to the holder of any unsurrendered certificate that, immediately prior to the Effective Time, represented outstanding European Goldfields Shares unless and until the holder of such certificate shall have complied with the provisions of Section 5.1 or Section 5.2 hereof. Subject to applicable Law and to Section 5.4 hereof, at the time of such compliance, there shall, in addition to the delivery of Consideration to which such holder is thereby entitled, be delivered to such holder, without interest, the amount of the dividend or other distribution with a record date after the Effective Time theretofore paid with respect to such Eldorado Shares.

5.4 Withholding Rights

Eldorado, European Goldfields and the Depository shall be entitled to deduct and withhold from all dividends or other distributions or payments otherwise payable to any Former European Goldfields Shareholder, Former European Goldfields RSU Holder, Former European Goldfields DPU Holder or other person (an “**Affected Person**”) such amounts as Eldorado, European Goldfields or the Depository is required or permitted to deduct and withhold with respect to such payment under the Tax Act or any provision of any applicable federal, provincial, state, local or foreign tax law or treaty, in each case, as amended (a “**Withholding Obligations**”). To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes hereof as having been paid to the Affected Person in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate taxing authority. Eldorado, European Goldfields and the Depository shall also have the right to:

- (a) withhold and sell, on their own account or through a broker (the “**Broker**”), and on behalf of any Affected Person; or
- (b) require the Affected Person to irrevocably direct the sale through a Broker and irrevocably direct the Broker pay the proceeds of such sale to European Goldfields, the

Depository or Eldorado as appropriate (and, in the absence of such irrevocable direction, the Affected Person shall be deemed to have provided such irrevocable direction);

such number of Eldorado Shares issued or issuable to such Affected Person pursuant to the Arrangement Agreement as is necessary to produce sale proceeds (after deducting commissions payable to the broker and other costs and expenses) sufficient to fund any Withholding Obligations. Any such sale of Eldorado Shares shall be affected on a public market and as soon as practicable following the Effective Date, or in the case of the European Goldfields DPUs in respect of which the European Goldfields DPU Election has been made, as soon as practicable after the applicable Separation Date. None of Eldorado, European Goldfields, the Depository or the Broker will be liable for any loss arising out of any sale of such Eldorado Shares, including any loss relating to the manner or timing of such sales, the prices at which the Eldorado Shares are sold or otherwise.

5.5 Limitation and Proscription

To the extent that a Former European Goldfields Shareholder shall not have complied with the provisions of Section 5.1 or Section 5.2 hereof on or before the date that is six (6) years after the Effective Date (the “**final proscription date**”), then the Consideration that such Former European Goldfields Shareholder was entitled to receive shall be automatically cancelled without any repayment of capital in respect thereof and the Consideration to which such Former European Goldfields Shareholder was entitled, shall be delivered to Eldorado by the Depository and certificates representing Eldorado Shares forming the Consideration shall be cancelled by Eldorado, and the interest of the Former European Goldfields Shareholder in such Eldorado Shares and cash to which it was entitled shall be terminated as of such final proscription date.

5.6 No Liens

Any exchange or transfer of securities pursuant to this Plan of Arrangement shall be free and clear of any Liens of any kind.

5.7 Paramountcy

From and after the Effective Time: (i) this Plan of Arrangement shall take precedence and priority over any and all European Goldfields Shares, European Goldfields Options, European Goldfields RSUs and European Goldfields DPUs issued prior to the Effective Time or pursuant to this Plan of Arrangement; (ii) the rights and obligations of the registered holders of European Goldfields Shares, European Goldfields Options, European Goldfields RSUs and European Goldfields DPUs, and European Goldfields, Eldorado, the Depository and any transfer agent or other depository in relation thereto, shall be solely as provided for in this Plan of Arrangement; and (iii) all actions, causes of action, claims or proceedings (actual or contingent and whether or not previously asserted) based on or in any way relating to any European Goldfields Shares or European Goldfields Options, European Goldfields RSUs or European Goldfields DPUs shall be deemed to have been settled, compromised, released and determined without liability except as set forth herein.

ARTICLE 6 AMENDMENTS

6.1 Amendments to Plan of Arrangement

- (a) Eldorado and European Goldfields reserve the right to amend, modify or supplement this Plan of Arrangement at any time and from time to time, provided, however, that

each such amendment, modification or supplement must be: (i) set out in writing; (ii) agreed to in writing by Eldorado and European Goldfields; (iii) filed with the Court and, if made following the European Goldfields Meeting, approved by the Court; and (iv) communicated to holders or former holders of European Goldfields Securities if and as required by the Court.

- (b) Any amendment, modification or supplement to this Plan of Arrangement may be proposed by European Goldfields at any time prior to the European Goldfields Meeting; provided, however, that Eldorado shall have consented thereto in writing, with or without any other prior notice or communication, and, if so proposed and accepted by the persons voting at the European Goldfields Meeting (other than as may be required under the Interim Order), shall become part of this Plan of Arrangement for all purposes.
- (c) Any amendment, modification or supplement to this Plan of Arrangement that is approved by the Court following the European Goldfields Meeting shall be effective only if: (i) it is consented to in writing by each of Eldorado and European Goldfields; (ii) it is filed with the Court (other than amendments contemplated in Subsection 6.1(d), which shall not require such filing) and (iii) if required by the Court, it is consented to by holders of the European Goldfields Shares voting in the manner directed by the Court.
- (d) This Plan of Arrangement may be withdrawn prior to the Effective Time in accordance with the terms of the Arrangement Agreement.

ARTICLE 7 FURTHER ASSURANCES

7.1 Further Assurances

Notwithstanding that the transactions and events set out herein shall occur and be deemed to occur in the order set out in this Plan of Arrangement without any further act or formality, each of the parties to the Arrangement Agreement shall make, do and execute, or cause to be made, done and executed, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by any of them in order further to document or evidence any of the transactions or events set out therein.

APPENDIX C
FAIRNESS OPINIONS OF BMO NESBITT BURNS INC. AND LAZARD & CO., LIMITED

December 18, 2011
European Goldfields Limited
Level 3, 11 Berkeley Street
London, England
W1J 8DS

To the Special Committee of the Board of Directors and the Board of Directors

BMO Nesbitt Burns Inc. (“BMO Capital Markets” or “we” or “us”) understands that European Goldfields Limited (the “Company”) and Eldorado Gold Corp. (the “Acquiror”) propose to enter into an arrangement agreement to be dated December 18, 2011 (the “Arrangement Agreement”) pursuant to which, among other things, the Acquiror will acquire all of the outstanding common shares of the Company (“Shares”) in exchange for 0.85 common shares of the Acquiror (“Acquiror Shares”) and \$0.0001 in cash per Share (the “Consideration”) by way of an arrangement under the *Yukon Business Corporations Act* (the “Arrangement”). The terms and conditions of the Arrangement will be summarized in the Company’s management information circular (the “Circular”) to be mailed to holders of Shares (the “Shareholders”) in connection with a special meeting of the Shareholders to be held to consider and, if deemed advisable, approve the Arrangement.

We have been retained to provide financial advice to the Company, including our opinion (the “Opinion”) to the Special Committee of the Board of Directors (the “Special Committee”) and the Board of Directors of the Company (the “Board of Directors”) as to the fairness from a financial point of view of the Consideration to be received by the Shareholders pursuant to the Arrangement.

Engagement of BMO Capital Markets

The Company initially contacted BMO Capital Markets regarding a potential advisory assignment in November 2011. BMO Capital Markets was formally engaged by the Company pursuant to an agreement dated November 24, 2011 (the “Engagement Agreement”). Under the terms of the Engagement Agreement, BMO Capital Markets has agreed to provide the Company and the Board of Directors with various advisory services in connection with the Arrangement including, among other things, the provision of the Opinion.

BMO Capital Markets will receive a fee for rendering the Opinion. We will also receive certain fees for our advisory services under the Engagement Agreement, a substantial portion of which

is contingent upon the successful completion of the Arrangement. The Company has also agreed to reimburse us for our reasonable out-of-pocket expenses and to indemnify us against certain liabilities that might arise out of our engagement.

Credentials of BMO Capital Markets

BMO Capital Markets is one of North America's largest investment banking firms, with operations in all facets of corporate and government finance, mergers and acquisitions, equity and fixed income sales and trading, investment research and investment management. BMO Capital Markets has been a financial advisor in a significant number of transactions throughout North America involving public and private companies in various industry sectors and has extensive experience in preparing fairness opinions.

The Opinion represents the opinion of BMO Capital Markets, the form and content of which have been approved for release by a committee of our officers who are collectively experienced in merger and acquisition, divestiture, restructuring, valuation, fairness opinion and capital markets matters.

Independence of BMO Capital Markets

Neither BMO Capital Markets, nor any of our affiliates, is an insider, associate or affiliate (as those terms are defined in the *Securities Act* (Ontario) or the rules made thereunder) of the Company, the Acquiror, or any of their respective associates or affiliates (collectively, the "Interested Parties").

BMO Capital Markets has not been engaged to provide any financial advisory services nor has it participated in any financings involving the Interested Parties within the past two years, other than acting as financial advisor to the Company and the Board of Directors pursuant to the Engagement Agreement.

There are no understandings, agreements or commitments between BMO Capital Markets and any of the Interested Parties with respect to future business dealings. BMO Capital Markets may, in the future, in the ordinary course of business, provide financial advisory, investment banking, or other financial services to one or more of the Interested Parties from time to time.

BMO Capital Markets and certain of our affiliates act as traders and dealers, both as principal and agent, in major financial markets and, as such, may have had and may in the future have positions in the securities of one or more of the Interested Parties and, from time to time, may have executed or may execute transactions on behalf of one or more Interested Parties for which BMO Capital Markets or such affiliates received or may receive compensation. As investment dealers, BMO Capital Markets and certain of our affiliates conduct research on securities and may, in the ordinary course of business, provide research reports and investment advice to clients on investment matters, including with respect to one or more of the Interested Parties or the Arrangement. In addition, Bank of Montreal ("BMO"), of which BMO Capital Markets is a wholly-owned subsidiary, or one or more affiliates of BMO, may provide banking or other financial services to one or more of the Interested Parties in the ordinary course of business.

Scope of Review

In connection with rendering the Opinion, we have reviewed and relied upon, or carried out, among other things, the following:

1. a draft of the Arrangement Agreement dated December 18, 2011;
2. certain publicly available information relating to the business, operations, financial condition and trading history of the Company and the Acquiror and other selected public companies we considered relevant;
3. certain internal financial, operating, corporate and other information prepared or provided by or on behalf of the Company relating to the business, operations and financial condition of the Company and the Acquiror;
4. internal management forecasts, projections, estimates and budgets prepared or provided by or on behalf of management of the Company;
5. discussions with management of the Company and management of the Acquiror relating to the current business plan, financial condition and prospects of the Company and the Acquiror, respectively;
6. public information with respect to selected precedent transactions we considered relevant;
7. historical commodity prices and the impact of various commodity pricing assumptions on the business, prospects and financial forecasts of the Company and the Acquiror;
8. various reports published by equity research analysts and industry sources we considered relevant;
9. a letter of representation as to certain factual matters and the completeness and accuracy of certain information upon which the Opinion is based, addressed to us and dated as of the date hereof, provided by senior officers of the Company; and
10. such other information, investigations, analyses and discussions as we considered necessary or appropriate in the circumstances.

BMO Capital Markets has not, to the best of its knowledge, been denied access by the Company to any information under the Company's control, requested by BMO Capital Markets.

Assumptions and Limitations

We have relied upon and assumed the completeness, accuracy and fair presentation of all financial and other information, data, advice, opinions, representations and other material obtained by us from public sources or provided to us by or on behalf of the Company or otherwise obtained by us in connection with our engagement (the "Information"). The Opinion is conditional upon such completeness, accuracy and fair presentation. We have not been

requested to, and have not assumed any obligation to, independently verify the completeness, accuracy or fair presentation of any such Information. We have assumed that forecasts, projections, estimates and budgets provided to us and used in our analyses were reasonably prepared on bases reflecting the best currently available assumptions, estimates and judgments of management of the Company, having regard to the Company's business, plans, financial condition and prospects.

Senior officers of the Company have represented to BMO Capital Markets in a letter of representation delivered as of the date hereof, among other things, that: (i) the Information provided to BMO Capital Markets orally by, or in the presence of, an officer or employee of, the Company, or in writing by the Company or any of its subsidiaries (as defined in National Instrument 45-106 *Prospectus and Registration Exemptions*) or any of its or their representatives in connection with our engagement was, at the date the Information was provided to BMO Capital Markets, and is, as of the date hereof, complete, true and correct in all material respects, and did not and does not contain a misrepresentation (as defined in the *Securities Act* (Ontario)); and (ii) since the dates on which the Information was provided to BMO Capital Markets, except as disclosed in writing to BMO Capital Markets, there has been no material change, financial or otherwise, in the financial condition, assets, liabilities (contingent or otherwise), business, operations or prospects of the Company or any of its subsidiaries, and no change has occurred in the Information or any part thereof which would have or which could reasonably be expected to have a material effect on the Opinion.

In preparing the Opinion, we have assumed that the executed Arrangement Agreement will not differ in any material respect from the draft that we reviewed, and that the Arrangement will be consummated in accordance with the terms and conditions of the Arrangement Agreement without waiver of, or amendment to, any term or condition that is in any way material to our analyses. In considering fairness, from a financial point of view, of the Consideration to be received by Shareholders pursuant to the Arrangement, BMO Capital Markets considered the Arrangement from the perspective of Shareholders generally and did not consider the specific circumstances of any particular Shareholder or any other securityholder of the Company or any other persons affected by the Arrangement.

The Opinion is rendered on the basis of securities markets, economic, financial and general business conditions prevailing as of the date hereof and the condition and prospects, financial and otherwise, of the Company and the Acquiror as they are reflected in the Information and as they have been represented to BMO Capital Markets in discussions with management of the Company and its representatives. In our analyses and in preparing the Opinion, BMO Capital Markets made numerous judgments and assumptions with respect to industry performance, general business, market and economic conditions and other matters, many of which are beyond our control or that of any party involved in the Arrangement.

The Opinion is provided to the Special Committee and the Board of Directors for their exclusive use only in considering the Arrangement and may not be used or relied upon by any other person or for any other purpose without our prior written consent. The Opinion does not constitute a recommendation as to how any Shareholder should vote or act on any matter relating to the Arrangement. Except for the inclusion of the Opinion in its entirety and a summary thereof (in a

form acceptable to us) in the Circular, the Opinion is not to be reproduced, disseminated, quoted from or referred to (in whole or in part) without our prior written consent.

We have not been asked to prepare and have not prepared a formal valuation or appraisal of the securities or assets of the Company, the Acquiror, or of any of their respective affiliates, and the Opinion should not be construed as such. The Opinion is not, and should not be construed as, advice as to the price at which the securities of the Company or the Acquiror may trade at any time. BMO Capital Markets was not engaged to review any legal, tax or regulatory aspects of the Arrangement and the Opinion does not address any such matters. We have relied upon, without independent verification, the assessment by the Company and its legal advisors with respect to such matters. In addition, the Opinion does not address the relative merits of the Arrangement as compared to any strategic alternatives that may be available to the Company.

The Opinion is rendered as of the date hereof and BMO Capital Markets disclaims any undertaking or obligation to advise any person of any change in any fact or matter affecting the Opinion which may come or be brought to the attention of BMO Capital Markets after the date hereof. Without limiting the foregoing, if we learn that any of the information we relied upon in preparing the Opinion was inaccurate, incomplete or misleading in any material respect, BMO Capital Markets reserves the right to change or withdraw the Opinion.

Conclusion

Based upon and subject to the foregoing, BMO Capital Markets is of the opinion that, as of the date hereof, the Consideration to be received by the Shareholders pursuant to the Arrangement is fair from a financial point of view to the Shareholders.

Yours truly,

BMO Nesbitt Burns Inc.

BMO Nesbitt Burns Inc.

LAZARD & CO., LIMITED
50 Stratton Street, London W1J 8LL

Authorised and regulated by the Financial Services Authority
Member of the London Stock Exchange
Registered in England no. 162175

Special Committee of the Board of Directors and the Board of
Directors of European Goldfields Limited
Suite 200, Financial Plaza
204 Lambert Street
Whitehorse
Yukon Y1A 3T2
Canada

SWITCHBOARD +44 (0)20 7187 2000
DIRECT +44 (0)20 7187 2134
FAX +44 (0)20 7072 6134
E-MAIL spiro.youakim@lazard.com

18th December 2011

Strictly Private and Confidential

**FOR THE ATTENTION OF THE SPECIAL COMMITTEE OF THE BOARD OF DIRECTORS
AND THE BOARD OF DIRECTORS OF THE COMPANY**

Dear Sirs,

Lazard & Co., Limited ("**Lazard**" or "**us**") understands that European Goldfields Limited (the "**Company**" or "**European Goldfields**") and Eldorado Gold Corporation (the "**Acquiror**" or "**Eldorado**") propose to enter into an arrangement agreement (the "Arrangement Agreement") in respect of a plan of arrangement (the "Arrangement") under which, among other things, Eldorado will acquire all of the issued and outstanding common shares of the Company (the "**Shares**"). As a result of the Arrangement, holders ("**Shareholders**") of Shares are to receive, for each Share held, 0.85 of a common share of Eldorado and C\$0.0001 in cash (together, the "**Consideration**"). The terms of the Arrangement will be more fully described in the management information circular of the Company which will be sent to securityholders of the Company in connection with the special meeting of securityholders to be called to consider and vote on the Arrangement.

The Company has engaged Lazard to provide financial advice to the Company in connection with the Arrangement, including providing our opinion to the Special Committee of the Board of Directors and the Board of Directors of the Company regarding the fairness, from a financial point of view, of the Consideration to the Shareholders, pursuant to an engagement letter and indemnification agreement dated 11th October 2011 between the Company and Lazard and this opinion letter is provided pursuant to, and subject to the terms of, such engagement letter and indemnification agreement.

In connection with this opinion, we have:

- (i) reviewed the financial terms and conditions of the latest draft, dated 18th December 2011, of the Arrangement Agreement;
- (ii) reviewed certain publicly available financial statements and other business and financial information relating to the Company and the Acquiror respectively;
- (iii) reviewed certain financial forecasts and other data provided to us by the management of the Company;
- (iv) held discussions with members of the senior management of the Company with respect to the financial condition, operations and prospects of the Company;
- (v) reviewed (a) various detailed internal European Goldfields management reports, (b) life of mine plans for the Company's Stratoni, Skouries, Olympias and Certej projects in the form of a financial model and (c) technical reports filed under National Instrument 43-101, Standards of Disclosure for Mineral Projects of the Canadian Securities Administrators on the Company's projects, including feasibility studies and pre-feasibility studies, as applicable;
- (vi) reviewed various research publications prepared by equity research analysts regarding European Goldfields and Eldorado;
- (vii) held discussions with senior management of the Acquiror with respect to the financial condition and prospects of Eldorado;
- (viii) reviewed public information with respect to certain companies in lines of business we believe to be generally relevant in evaluating the Company and the Acquiror;
- (ix) reviewed the financial terms of certain business combinations involving companies in lines of business we believe to be generally relevant in evaluating the Company and the Acquiror;
- (x) reviewed the certificate, addressed to us and dated as of the date hereof, from senior officers of the Company setting out, among other things, representations as to certain factual matters and the completeness and accuracy of information, data, and other materials (financial or otherwise) provided to us by or on behalf of the Company and the absence of changes thereto; and
- (xi) conducted such other financial studies, analyses and investigations as we deemed appropriate.

We have not been provided with any non-public information relating to Eldorado, but we have reviewed certain publicly available information including annual reports and filings, company presentations, press releases and technical reports on Eldorado's assets.

In undertaking its analysis in connection with the provision of this opinion Lazard has undertaken, among other analyses, the following (i) a comparison of the relative contribution of net asset value ("**NAV**"), production and reserves and resources by the Company and the Acquiror to the relative pro forma ownership of the Company and the Acquiror if the Arrangement is completed, (ii) a comparison of the implied value of the Consideration to be received by the Shareholders against the results of an NAV analysis of the Company, (iii) a comparison of selected financial multiples, to the extent publicly available, of selected precedent transactions to the multiples implied by the Consideration, (iv) a discounted cash flow analysis in relation to the Company and the Acquiror, (v) a comparison of the implied value of the Consideration against the recent

market trading value of the Shares, and (vi) an assessment of the trading value of the Acquiror and sustainability thereof in relation to the value of the Consideration.

With your permission, we have assumed and relied upon the accuracy and completeness of the foregoing information, without independent verification of such information. We have not conducted any independent valuation or appraisal (and our opinion should not be construed as such) of any of the assets or liabilities (contingent or otherwise) of the Company or the Acquiror or any other entity, or concerning the solvency or fair value of the Company or the Acquiror or any other entity, and we have not been furnished with any such valuation or appraisal. We have relied, with your consent, on the assessments of the management of the Company with respect to the Company's businesses including prospects associated therewith. With respect to the financial forecasts relating to the Company, we have based our assumptions on analyst consensus with regards to gold and other commodity pricing and the US Dollar: Euro exchange rate. As part of this assessment, we have been advised by the management of the Company and we have assumed, with your consent, that the financial forecasts relating to the Company have been reasonably prepared on bases reflecting the best currently available estimates and judgments as to the future financial performance of the Company. We assume no responsibility for and express no view as to any such forecasts or estimates or the assumptions on which they are based. In addition, our assessment of the Company is predicated on the assumption that it successfully obtains all of the requisite permits or other approvals in Greece, Romania and elsewhere for its development projects and the management of the Company is able to deliver its targeted mine plans. As part of this assessment, we have been advised by the management of the Company and we have assumed, with your consent, that the Company's development projects and targeted mine plans have been reasonably prepared on bases reflecting the best currently available estimates and judgments of the Company. We assume no responsibility for and express no view as to the reasonableness or achievability of (a) the assumption that the Company will successfully obtain all the requisite permits or other approvals in Greece, Romania and elsewhere for its development projects, (b) the feasibility of any such development projects or the assumptions on which they are based or (c) the Company's targeted mine plans or the assumptions on which they are based. We have been informed by the Company's senior management that the technical expertise and capability to construct and operate gold mines possessed by Eldorado is of importance in relation to the successful development of certain of the Company's key assets and delivery of the associated targeted mine plans.

Lazard has not had an opportunity to meet with the Company's auditors in connection with the provision of this opinion and has assumed the accuracy and fair presentation of and relied upon the consolidated financial statements of the Company and the reports of the auditors thereon.

Further, our opinion is necessarily based on economic, monetary, market and other conditions as in effect on, and the information made available to us as of, the date hereof. Although we reserve the right to change or withdraw the opinion if we learn that any of the information that we relied upon in preparing the opinion was inaccurate, incomplete or misleading in any material respect, we disclaim any obligation to change or withdraw the opinion, to advise any person of any change that may come to our attention or to update the opinion for any reason after the date hereof. In our analyses and in connection with the preparation of our opinion, we made numerous assumptions with respect to industry performance, general business, market and economic conditions and other matters, many of which are beyond the control of any party involved in the Arrangement. We have assumed that the current volatility and uncertainty in the present economic climate, in particular in relation to the current financial and political crisis and social unrest in Greece (including the impact of the potential exit of Greece from the European Monetary Union), will not affect the Arrangement, the Company's ability to consummate the Arrangement or the Company's ability to construct the mines in accordance with the Company's targeted mine plans as disclosed to us.

In rendering our opinion, we have assumed, with your consent, that the Arrangement and related transactions will be consummated on the terms described in the Arrangement Agreement and related

documents, without any waiver or modification of any material terms or conditions. Senior management of the Company has advised us, and we have assumed, that the Arrangement Agreement, when executed, will conform to the draft reviewed by us in all material respects. We have assumed that the representations and warranties of the Company and the Acquiror in the Arrangement Agreement are true and correct, that each part will perform all of the covenants and agreements required to be performed by it under the Arrangement Agreement and that all conditions to the consummation of the Arrangement will be satisfied without waiver or modification. We also have assumed, with your consent, that obtaining the necessary governmental, regulatory or third party approvals and consents for the Arrangement or any related transactions will not have an adverse effect on the Company, the Acquiror or the Arrangement. We do not express any opinion as to any tax or other consequences that might result from the Arrangement or any related transaction, nor does our opinion address any legal, tax, regulatory or accounting matters, as to which we understand that the Company obtained such advice as it deemed necessary from qualified professionals. With respect to information regarding gold, silver and base metal reserves and resources, we are not experts in the evaluation of reserves and resources and, with the Company's consent, have relied without independent verification, on the reports provided to us relating to reserves and resources, including technical reports, as well as information prepared and provided to us by the management of the Company.

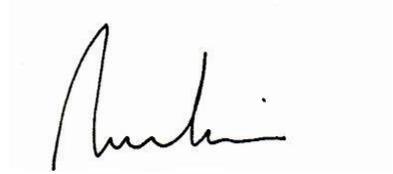
Our opinion addresses only the fairness, from a financial point of view, of the Consideration to Shareholders collectively without regard to individual circumstances of specific shareholders. We express no view or opinion as to any terms or other aspects or implications of the Arrangement (other than the Consideration to the extent expressly specified herein) or any related transaction, including, without limitation, the form or structure of the Arrangement or any related transaction, adjustments, if any, to the Consideration, any guarantees, indemnities or other arrangements with respect to outstanding litigation or retained assets or liabilities or any other agreements or arrangements entered into in connection with, or otherwise contemplated by, the Arrangement or any related transaction. In addition, we express no view or opinion as to the fairness of the amount or nature of, or any other aspects relating to, the compensation to any officers, directors or employees of any parties to the Arrangement.

Lazard is also acting as a financial adviser to the Company in connection with the Arrangement and will receive a fee for such services contingent upon consummation of the Arrangement. The Company has also agreed to reimburse certain of our expenses and to indemnify us against certain liabilities arising out of our engagement. In addition, in the ordinary course of their respective businesses, Lazard, LFCM Holdings LLC (an entity indirectly owned in large part by managing directors of Lazard) and our respective affiliates may actively trade securities of the Company and the Acquiror and certain of their respective affiliates for their own accounts and for the accounts of their customers and, accordingly, may at any time hold a long or short position in such securities.

Our engagement and the opinion expressed herein are solely for the benefit of the Special Committee of the Board of Directors and the Board of Directors of the Company (solely in its capacity as such) in connection with its evaluation of the Arrangement. Our opinion does not address the relative merits of the Arrangement as compared to any other transaction, arrangement, offer or business strategy involving the Company or in which the Company or any other party might engage or the merits of the underlying decision by the Company to enter into in the Arrangement. Our engagement and opinion are not on behalf of, and are not intended to confer rights or remedies upon, any Shareholder or other securityholder of the Company or any other person, and this opinion is not intended, and does not constitute, a recommendation to any Shareholder as to how any Shareholder should vote or act in connection with the Arrangement or any matter related thereto. This letter may not be disclosed or otherwise referred to without our prior written consent, nor may our opinion be used or relied upon by any third party for any purpose.

Based on and subject to the foregoing, we are of the opinion that, as of the date hereof, the Consideration is fair, from a financial point of view, to the Shareholders.

Yours faithfully,

A handwritten signature in black ink, appearing to read "A. Lazard", is centered within a light gray rectangular box.

.....

for and on behalf of

Lazard & Co., Limited

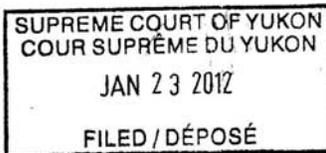
**APPENDIX D
INTERIM ORDER**

FORM 44 (Rule 43(3))

Supreme Court No.: 11-A0103

SUPREME COURT OF YUKON

IN THE MATTER OF AN APPLICATION FOR APPROVAL
OF AN ARRANGEMENT UNDER SECTION 195 OF
THE *BUSINESS CORPORATIONS ACT* OF THE YUKON TERRITORY
R.S.Y. 2002, C.20 AND AMENDMENTS THERETO



EUROPEAN GOLDFIELDS LIMITED

and

ELDORADO GOLD YUKON CORP.

PETITIONERS

| | | |
|------------------------|---|-------------------------------------|
| BEFORE THE HONOURABLE |) | Monday, the 23 rd day of |
| MR. JUSTICE R.S. VEALE |) | January, 2012 |

INTERIM ORDER

THE APPLICATION of the Petitioners, coming on for hearing on the 23rd day of January, 2012 AND UPON HEARING Gareth C. Howells and David Brown, lawyers for the Petitioners European Goldfields Limited and Eldorado Gold Yukon Corp.

THIS COURT ORDERS THAT:

1. Pursuant to paragraph 195(4)(a) and (b) of the *Business Corporations Act*, R.S.Y. 2002, c.20 as amended (Yukon Territory) (the "YBCA") that European Goldfields Limited ("EGU") convene and hold a securityholders' meeting, as may be properly adjourned or postponed (the "EGU Meeting") as provided for in the information circular of EGU dated on or about January 23, 2012 (the "Circular") for the purpose of:
 - (a) the securityholders of EGU considering and, if thought fit, passing, voting together as a single class, a special resolution (the "Arrangement Resolution"), with or without variation, approving an arrangement (the "Arrangement") involving EGU, its shareholders (the "EGU Shareholders"), optionholders (the "EGU Optionholders"), holders (the "EGU RSU Holders") of restricted share units (the "EGU RSUs") issued under the EGU restricted share unit plan dated June 9, 2005, as amended May 19, 2008 and May 12, 2010 (the "EGU RSU Plan") and holders (the "EGU DPU Holders") of deferred phantom units (the "EGU DPUs") issued under the EGU deferred phantom unit plan dated December 5, 2008, as amended September 14, 2010 (the "EGU DPU Plan") (the EGU Shareholders, EGU Optionholders, EGU RSU Holders are collectively

referred to herein as the "EGU Voting Securityholders") (the EGU Voting Securityholders and the EGU DPU Holders are collectively referred to herein as the "EGU Securityholders"), Eldorado Gold Yukon Corp. ("EGYC") and Eldorado Gold Corporation ("Eldorado") as described in the plan of arrangement (the "Plan of Arrangement"), as may be amended in accordance with this Interim Order, which is attached as Schedule "A" to the amended and restated arrangement agreement dated as of January 19, 2012 (the "Arrangement Agreement") between EGU and Eldorado, which Arrangement Agreement is attached as Exhibit "E" to the Affidavit #2 of Gareth C. Howells sworn January 19, 2012; and

- (b) acting upon such other matters, including amendments to the foregoing, as may properly come before the EGU Meeting or any adjournment or postponement thereof.
2. The EGU Meeting shall be called, held and conducted in accordance with the provisions of the YBCA and the Bylaws of EGU, as modified by the terms of this Interim Order.
3. The following information (the "Meeting Materials"):
- (a) Notice of Special Meeting and Circular;
 - (b) Appendices to the Circular, including the Plan of Arrangement;
 - (c) Interim Order and the Notice of Application (substantially in the form attached hereto as Exhibit "A") to this Honourable Court for a Final Order approving the Arrangement;
 - (d) Forms of Proxy; and
 - (e) Letter of Transmittal,

in or substantially in the form as referred to in the Affidavit #2 of Gareth C. Howells, sworn the 19th day of January, 2012, with such amendments and inclusions thereto as counsel for EGU may advise are necessary or desirable, provided that such amendments and inclusions are not inconsistent with the terms of this Order, shall be mailed by prepaid ordinary mail, or in the case of clause (f) below, filed electronically via the SEDAR system, as applicable:

- (a) to the EGU Shareholders at their registered address as they appear on the books of the registrar and transfer agent for EGU and to the EGU Optionholders, EGU RSU Holders and EGU DPU Holders at their registered address as they appear on EGU's record books at the close of business on the

19th day of January, 2012, being the record date fixed by the Board of Directors of EGU for the determination of EGU Voting Securityholders entitled to notice of the EGU Meeting (the "Record Date");

- (b) to the intermediaries requesting same;
- (c) to the directors of EGU;
- (d) to the auditors of EGU;
- (e) to the Toronto Stock Exchange;
- (f) to the securities commissions or similar regulatory authorities in all of the provinces and territories in Canada; and
- (g) to the Yukon Registrar of Corporations and Superintendent of Securities;

which mailing or filing, as the case may be, shall occur at least twenty-one (21) days prior to the date of the EGU Meeting, excluding the date of mailing or filing and including the date of the EGU Meeting, and that mailing or filing, as the case may be, of the Notice of Application, as herein described, shall constitute good and sufficient service of such Notice of Application upon all who may wish to appear in these proceedings and no other service, filing or mailing need be made and such service shall be effective on the fifth (5th) day after the said Notice of Application is mailed or filed.

- 4. EGU shall use commercially reasonable efforts to mail and to effect service of Notice of the EGU Meeting and Notice of Application in the manner set out herein and, the accidental omission to give notice of the EGU Meeting or Notice of Application to, or the non-receipt of such Notices by one or more of the persons specified herein, shall not invalidate any resolution passed or proceedings taken at the EGU Meeting.
- 5. EGU and Eldorado are authorized to make, in the manner contemplated by and subject to the Arrangement, such amendments, revisions or supplements to the Plan of Arrangement as they may determine, without any additional notice to the EGU Securityholders. The Plan of Arrangement as so amended, revised or supplemented, shall be the Plan of Arrangement to be submitted at the EGU Meeting to the EGU Voting Securityholders and the subject of the Arrangement Resolution.

6. Notice of any amendments, updates or supplements to any of the information provided in the Meeting Materials may be communicated to the EGU Securityholders by press release, news release, newspaper advertisement or by notice sent to the EGU Securityholders by any of the means set forth in paragraph 3 hereof, as determined to be the most appropriate method of communication by the Board of Directors of EGU.
7. The only persons entitled to attend the EGU Meeting shall be:
 - (a) the registered EGU Securityholders or their respective proxyholders, if applicable, as of the Record Date;
 - (b) EGU directors, officers, auditors and advisors (including, but not limited to, legal counsel for EGU);
 - (c) representatives of Eldorado and EGYC, and any of their respective subsidiaries or affiliates and advisors (including, but not limited to, legal counsel for Eldorado and EGYC); and
 - (d) other persons with the prior permission of the Chair of the Meeting.
8. The EGU Securityholders are permitted to attend at and participate in the EGU Meeting at a location in the City of Toronto, Province of Ontario to be determined by EGU, substantially as described in the Circular.
9. The Chair and Secretary of the EGU Meeting shall be Mark Rachovides and Deborah Paxford, respectively, or any other officer or director of EGU who shall be appointed by the Board of Directors of EGU for those purposes. A representative of Computershare Trust Company of Canada shall be the scrutineer of the EGU Meeting.
10. The Chair of the EGU Meeting is at liberty to call on the assistance of legal counsel to EGU at any time and from time to time, as the Chair of such EGU Meeting may deem necessary or appropriate, during such EGU Meeting, and such legal counsel is entitled to attend such EGU Meeting for this purpose.
11. The EGU Meeting may be adjourned for any reason upon the approval of the Chair of the EGU Meeting, and if the EGU Meeting is adjourned, it shall be reconvened at a place and time to be designated by the Chair of the EGU Meeting to a date which is not more than 30 days following such adjournment.
12. The quorum required at the EGU Meeting shall be the quorum required by the Bylaws of EGU. The quorum for the vote of the EGU Shareholders, EGU Optionholders and the EGU RSU Holders shall be the quorum required for the votes of the EGU Shareholders as required by the Bylaws of EGU, applied *mutatis mutandis* to the vote

of the EGU Shareholders, EGU Optionholders and the EGU RSU Holders, voting together as a single class.

13. The vote required to pass the Arrangement Resolution at the EGU Meeting shall be:
 - (a) the affirmative vote of not fewer than 66 2/3% of the votes cast by the holders of common shares in the capital of EGU (the "EGU Shares"), who voted in respect of the Arrangement Resolution, whether in person or represented by proxy;
 - (b) the affirmative vote of not fewer than 66 2/3% of the votes cast by the holders of: (i) the EGU Shares; (ii) the issued and outstanding options to acquire EGU Shares (the "EGU Options"); and (iii) the issued and outstanding EGU RSUs, voting together as a single class, who voted in respect of the Arrangement Resolution, whether in person or represented by proxy; and
 - (c) if required by law, the affirmative vote of not fewer than a majority of the votes cast by the holders of EGU Shares who voted in respect of the Arrangement Resolution, whether in person or by proxy, other than the votes cast by Eldorado and any other person described in items (a) through (d) of Sections 8.1(2) of Multilateral Instrument 61-101 (the "EGU Minority Shareholders").
14. All votes at the EGU Meeting in respect of the Arrangement Resolution shall be by ballot.
15. For the purposes of voting at the EGU Meeting, each EGU Optionholder and EGU RSU Holder, respectively, is entitled to one vote for each EGU Option and EGU RSU, as the case may be, held by such holder on the Record Date. If EGU Options or EGU RSUs are respectively exercised or vested after the Record Date, the holder of such EGU Options or EGU RSUs on the Record Date shall be entitled to vote at the EGU Meeting in respect of such EGU Options and EGU RSUs and no votes may be cast in respect of the securities issuable upon exercise of such EGU Options or vesting of such EGU RSUs, as the case may be. If EGU Options or EGU RSUs expire unexercised or unvested after the Record Date but prior to the EGU Meeting, no votes may be cast in respect of such expired EGU Options or unvested DPU RSUs at the EGU Meeting.
16. EGU be at liberty to give notice of this application to persons outside the jurisdiction of this Honourable Court in the manner specified herein.
17. Any EGU Securityholder, director or auditor of EGU, or any other party served with notice of the application for the final order approving the Arrangement (the "Final Order") may appear and make representations at the application for the Final Order, provided that such person shall file an Appearance and a Response, in the respective

forms prescribed by the Rules of Court of the Supreme Court of Yukon, with this Court and deliver a copy of the filed Appearance and Response, together with a copy of all material on which such person intends to rely at the application for the Final Order, including an outline of such person's proposed submissions, to the solicitors for EGU at its address for delivery set out in the Petition, on or before 11:00 a.m. (Whitehorse time) on the 22nd day of February, 2012 or such later date as the Court may determine.

18. Each registered EGU Shareholder will be granted rights of dissent (the "Dissent Rights") in respect of the Arrangement Resolution, as contemplated by Section 193 of the YBCA, provided that such registered EGU Shareholder otherwise complies strictly with the requirements of Section 193 of the YBCA, Article 4 of the Plan of Arrangement and this Interim Order. The Dissent Rights are further modified by this Interim Order as follows:
- (a) a registered EGU Shareholder intending to exercise Dissent Rights must give written notice of dissent to the Arrangement Resolution to EGU at: (A) c/o Macdonald & Company, 200 - 204 Lambert Street, Whitehorse, Yukon Territory, Attention: Gareth C. Howells; or (B) by facsimile transmission to: (867) 667-7600 (Attention: Gareth C. Howells); or (C) by e-mail to ghowells@anton.yk.ca Attention: Gareth C. Howells, to be received by EGU no later than 5:00 p.m. (Toronto time) on: (i) February 17, 2012; or (ii) the day that is two Business Days prior to the date on which any adjournment or postponement of the EGU Meeting is held; and (C) must otherwise strictly comply with this paragraph 18. The dissent notice must set out the number of EGU Shares held by the Dissenting Shareholder, as defined below, and include a statement that such EGU Shares are all of the EGU Shares held by the Dissenting Shareholder;
 - (b) any registered EGU Shareholder (a "Dissenting Shareholder") who exercises Dissent Rights in respect of the Arrangement Resolution in strict compliance with the requirements of section 193 of the YBCA, as modified by the Interim Order and Article 4 of the Plan of Arrangement (the "Dissent Procedures"), will be entitled, in the event that the Arrangement becomes effective, to be paid the fair value of the Shares held by such Dissenting Shareholder in respect of which the Dissenting Shareholder has validly exercised Dissent Rights determined as of the close of business on the day prior to approval by the EGU Securityholders of the Arrangement Resolution;
 - (c) all of the EGU Shares held by each Dissenting Shareholder who has validly exercised his, her or its Dissent Rights shall, at the "Effective Time" (as defined in the Plan of Arrangement), and notwithstanding any provision of Section 193 of the YBCA, be and be deemed to have been irrevocably transferred to Eldorado and each such Dissenting Shareholder shall cease to have any rights

as a EGU Shareholder in respect of such EGU Shares other than the right to be paid the fair value of such EGU Shares in accordance with the Dissent Procedures;

- (d) if a registered EGU Shareholder who exercises Dissent Rights is ultimately not entitled, for any reason, to be paid fair value for the EGU Shares in respect of which such registered EGU Shareholder has exercised Dissent Rights, the registered EGU Shareholder will be deemed pursuant to the Plan of Arrangement to have participated in the Arrangement on the same basis as a registered EGU Shareholder that has not exercised Dissent Rights;
 - (e) in no case will EGU, EGYC, Eldorado or their respective successors or assigns or any other person be required to recognize the Dissenting Shareholder as a holder of EGU Shares at and after the effective time of the Arrangement, and each Dissenting Shareholder will cease to be entitled to the rights of a EGU Shareholder in respect of the Dissenting Shares in relation to which such Dissenting Shareholder has exercised Dissent Rights and the central securities register of EGU will be amended to reflect that such former holder is no longer the holder of such EGU Shares as and from the effective date of the Arrangement;
 - (f) registered EGU Shareholders shall be the only persons with Dissent Rights in respect of the Arrangement Resolution; and
 - (g) the delivery by a EGU Shareholder of a notice pertaining to the exercise of Dissent Rights does not deprive such EGU Shareholder of its right to vote at the EGU Meeting, however, a vote in favour of the Arrangement Resolution will result in a loss of its Dissent Right.
19. If the application for the Final Order is adjourned, only those persons who have filed and delivered an Appearance and Response in accordance with the terms hereof need be served with notice of the adjourned date.
20. Unless the directors of EGU by resolution determine to abandon the Arrangement, the Petitioners be at liberty to apply on the 22nd day of February, 2012 at 1:00 p.m. (Whitehorse time) or such other date as the Court may direct, for the final approval of the Arrangement and a determination as to the procedural and substantive fairness of the Arrangement provided the Arrangement Resolution is approved by the EGU Voting Securityholders, as aforesaid, at the EGU Meeting.
21. The Petitioners shall report to this Court and furnish evidence of their compliance with any interim order granted with respect to the relief sought herein at the date of the application for the Final Order.

22. The Petitioners shall be at liberty to make such further applications to this Honourable Court in relation to the Plan of Arrangement as are necessary for putting into effect the Plan of Arrangement, including, without limitation, an application to vary this Interim Order.
23. To the extent of any inconsistency or discrepancy with respect to the matters provided for in this Interim Order and the terms of any instrument creating, governing or collateral to the EGU Shares, EGU Options, EGU RSUs and EGU DPUs, this Interim Order shall govern.

BY THE COURT


D | Clerk of the Court

APPROVED AS TO THE ORDER MADE:

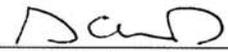

Gareth C. Howells,
Lawyer for the Petitioners
European Goldfields Limited
and Eldorado Gold Yukon Corp.

EXHIBIT "A"

NOTICE OF APPLICATION

FORM 52 (Rule 47(1))

Supreme Court No.: 11-A0103

SUPREME COURT OF YUKON

IN THE MATTER OF AN APPLICATION FOR APPROVAL
OF AN ARRANGEMENT UNDER SECTION 195 OF
THE *BUSINESS CORPORATIONS ACT* OF THE YUKON TERRITORY
R.S.Y. 2002, C.20 AND AMENDMENTS THERETO

EUROPEAN GOLDFIELDS LIMITED

and

ELDORADO GOLD YUKON CORP.

PETITIONERS

NOTICE OF APPLICATION

TO all security holders of European Goldfields Limited

TAKE NOTICE that an application will be made by Gareth C. Howells and Grant Macdonald, Q.C., lawyers for the Petitioners, European Goldfields Limited ("EGU") and Eldorado Gold Yukon Corp. ("EGYC"), to the presiding Judge at the Law Courts, 2134 Second Avenue, Whitehorse, Yukon Territory, on the 22nd day of February, 2012 at 1:00 p.m. (Whitehorse time) for an order that:

1. The terms and conditions of the issuance and exchange of securities, as set out in the Plan of Arrangement (the "**Plan of Arrangement**") under Section 195 of the *Business Corporations Act*, R.S.Y. 2002, c.20, as amended (the "**Act**"), attached as Schedule "A" to the amended and restated arrangement agreement dated as of January 19, 2012 (the "**Arrangement Agreement**") between EGU and Eldorado Gold Corporation ("**Eldorado**"), which Plan of Arrangement is attached as Appendix "B" to the information circular of EGU dated January 23, 2012 accompanying the Notice of Special Meeting of the holders of common shares, options and restricted stock units of EGU (collectively, the "**EGU Voting Securityholders**"), are procedurally and substantively fair to the EGU Voting Securityholders, to the holders (the "**EGU DPU Holders**") of deferred phantom units of EGU (the EGU DPU Holders and the EGU

Voting Securityholders are collectively referred to herein as the "EGU Securityholders") and to the Petitioners, and such terms and conditions are hereby approved.

2. The Plan of Arrangement be, and is hereby approved, and shall be implemented in the manner set forth in the Plan of Arrangement and be binding on the Petitioners and the EGU Securityholders and on all other parties who have been served with notice of these proceedings, upon the acceptance of a certified copy of the final order of the Supreme Court of Yukon (the "Final Order") by the Yukon Registrar of Corporations.
3. The Articles of Arrangement attached to and forming part of the Final Order be approved as the form of Articles of Arrangement to be filed with the Yukon Registrar of Corporations pursuant to Section 195(10) of the Act.
4. The Articles of Amalgamation attached to and forming part of the Final Order be approved as the form of Articles of Amalgamation to be filed with the Yukon Registrar of Corporations pursuant to Section 195(10) of the Act.

AND NOTICE IS FURTHER GIVEN that the Court has given directions as to the calling of a special meeting of the EGU Voting Securityholders on February 21, 2012, as properly adjourned or postponed, for the purpose of voting to approve the Plan of Arrangement.

AND NOTICE IS FURTHER GIVEN that the Final Order approving the Arrangement will, if made, constitute the basis for an exemption from the registration requirements of the *United States Securities Act of 1933*, as amended, pursuant to Section 3(a)(10) thereof with respect to certain securities of Eldorado to be issued by Eldorado to EGU Securityholders pursuant to the Plan of Arrangement.

At the hearing, any EGU Securityholder, director, or auditor of EGU, or any other interested party with leave of the Court, desiring to support or oppose the application may appear for the purpose, either in person or by counsel. If you do not attend, either in person or by counsel, at that time, the Court may approve the Plan of Arrangement as presented, or may approve it subject to such terms and conditions as the Court shall deem fit, without any further notice to you.

A copy of the Petition and other documents in the proceedings will be furnished to any EGU Securityholder or other interested party having standing and requesting the same from EGU.

AND TAKE FURTHER NOTICE that in support of this Application will be read the Affidavits of Gareth C. Howells and Timothy Morgan-Wynne, and all the pleadings and proceedings herein and such further and other material as Counsel may advise and this Honourable Court may permit.

This Application is brought pursuant to Section 195 of the *Business Corporations Act*, R.S.Y. 2002, c.20, as amended.

The applicant estimates that the application will take 30 minutes.

If you wish to receive notice of the time and date of the hearing or to respond to the application, you must, within the proper time for response,

- (a) deliver to the Petitioners at their Address for Delivery as set forth below:
 - i. 2 copies of a Response in Form 11, and
 - ii. 2 copies of each of the affidavits and other documents, not already in the court file, on which you intend to rely at the hearing, and
- (b) deliver to every other party of record:
 - i. one copy of a Response in Form 11, and
 - ii. one copy of each of the affidavits and other documents, not already in the court file, on which you intend to rely at the hearing.

TIME FOR RESPONSE

The Response must be delivered on or before 11:00 a.m. (local time in Whitehorse) on February 22, 2012.

PETITIONERS' ADDRESS FOR DELIVERY:

Macdonald & Company
Lawyers
Suite 200 - 204 Lambert Street
Whitehorse, Yukon
Y1A 3T2

DATED: January 23, 2012

Gareth C. Howells
Lawyer for the Petitioners,
European Goldfields Limited and
Eldorado Gold Yukon Corp.

FORM 52 (Rule 47(1))

Supreme Court No.: 11-A0103

SUPREME COURT OF YUKON

IN THE MATTER OF AN APPLICATION FOR APPROVAL
OF AN ARRANGEMENT UNDER SECTION 195 OF
THE *BUSINESS CORPORATIONS ACT* OF THE YUKON TERRITORY
R.S.Y. 2002, C.20 AND AMENDMENTS THERETO

EUROPEAN GOLDFIELDS LIMITED

and

ELDORADO GOLD YUKON CORP.

PETITIONERS

NOTICE OF APPLICATION

Macdonald & Company
Barristers & Solicitors
200 - 204 Lambert Street
Whitehorse, Yukon
Y1A 3T2

FORM 44 (Rule 43(3))

Supreme Court No.: 11-A0103

SUPREME COURT OF YUKON

IN THE MATTER OF AN APPLICATION FOR APPROVAL
OF AN ARRANGEMENT UNDER SECTION 195 OF
THE *BUSINESS CORPORATIONS ACT* OF THE YUKON TERRITORY
R.S.Y. 2002, C.20 AND AMENDMENTS THERETO

EUROPEAN GOLDFIELDS LIMITED

and

ELDORADO GOLD YUKON CORP.

PETITIONERS

INTERIM ORDER

Gareth C. Howells
Macdonald & Company
Lawyers
200 - 204 Lambert Street
Whitehorse, YT Y1A 3T2

**APPENDIX E
NOTICE OF APPLICATION**

FORM 52 (Rule 47(1))

Supreme Court No.: 11-A0103

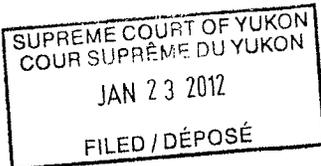
SUPREME COURT OF YUKON

IN THE MATTER OF AN APPLICATION FOR APPROVAL
OF AN ARRANGEMENT UNDER SECTION 195 OF
THE *BUSINESS CORPORATIONS ACT* OF THE YUKON TERRITORY
R.S.Y. 2002, C.20 AND AMENDMENTS THERETO

EUROPEAN GOLDFIELDS LIMITED

and

ELDORADO GOLD YUKON CORP.



PETITIONERS

NOTICE OF APPLICATION

TO all security holders of European Goldfields Limited

TAKE NOTICE that an application will be made by Gareth C. Howells and Grant Macdonald, Q.C., lawyers for the Petitioners, European Goldfields Limited ("EGU") and Eldorado Gold Yukon Corp. ("EGYC"), to the presiding Judge at the Law Courts, 2134 Second Avenue, Whitehorse, Yukon Territory, on the 22nd day of February, 2012 at 1:00 p.m. (Whitehorse time) for an order that:

1. The terms and conditions of the issuance and exchange of securities, as set out in the Plan of Arrangement (the "**Plan of Arrangement**") under Section 195 of the *Business Corporations Act*, R.S.Y. 2002, c.20, as amended (the "**Act**"), attached as Schedule "A" to the amended and restated arrangement agreement dated as of January 19, 2012 (the "**Arrangement Agreement**") between EGU and Eldorado Gold Corporation ("**Eldorado**"), which Plan of Arrangement is attached as Appendix "B" to the information circular of EGU dated January 23, 2012 accompanying the Notice of Special Meeting of the holders of common shares, options and restricted stock units of EGU (collectively, the "**EGU Voting Securityholders**"), are procedurally and substantively fair to the EGU Voting Securityholders, to the holders (the "**EGU DPU Holders**") of deferred phantom units of EGU (the EGU DPU Holders and the EGU

Voting Securityholders are collectively referred to herein as the "EGU Securityholders") and to the Petitioners, and such terms and conditions are hereby approved.

2. The Plan of Arrangement be, and is hereby approved, and shall be implemented in the manner set forth in the Plan of Arrangement and be binding on the Petitioners and the EGU Securityholders and on all other parties who have been served with notice of these proceedings, upon the acceptance of a certified copy of the final order of the Supreme Court of Yukon (the "Final Order") by the Yukon Registrar of Corporations.
3. The Articles of Arrangement attached to and forming part of the Final Order be approved as the form of Articles of Arrangement to be filed with the Yukon Registrar of Corporations pursuant to Section 195(10) of the Act.
4. The Articles of Amalgamation attached to and forming part of the Final Order be approved as the form of Articles of Amalgamation to be filed with the Yukon Registrar of Corporations pursuant to Section 195(10) of the Act.

AND NOTICE IS FURTHER GIVEN that the Court has given directions as to the calling of a special meeting of the EGU Voting Securityholders on February 21, 2012, as properly adjourned or postponed, for the purpose of voting to approve the Plan of Arrangement.

AND NOTICE IS FURTHER GIVEN that the Final Order approving the Arrangement will, if made, constitute the basis for an exemption from the registration requirements of the *United States Securities Act of 1933*, as amended, pursuant to Section 3(a)(10) thereof with respect to certain securities of Eldorado to be issued by Eldorado to EGU Securityholders pursuant to the Plan of Arrangement.

At the hearing, any EGU Securityholder, director, or auditor of EGU, or any other interested party with leave of the Court, desiring to support or oppose the application may appear for the purpose, either in person or by counsel. If you do not attend, either in person or by counsel, at that time, the Court may approve the Plan of Arrangement as presented, or may approve it subject to such terms and conditions as the Court shall deem fit, without any further notice to you.

A copy of the Petition and other documents in the proceedings will be furnished to any EGU Securityholder or other interested party having standing and requesting the same from EGU.

AND TAKE FURTHER NOTICE that in support of this Application will be read the Affidavits of Gareth C. Howells and Timothy Morgan-Wynne, and all the pleadings and proceedings herein and such further and other material as Counsel may advise and this Honourable Court may permit.

This Application is brought pursuant to Section 195 of the *Business Corporations Act*, R.S.Y. 2002, c.20, as amended.

The applicant estimates that the application will take 30 minutes.

If you wish to receive notice of the time and date of the hearing or to respond to the application, you must, within the proper time for response,

- (a) deliver to the Petitioners at their Address for Delivery as set forth below:
 - i. 2 copies of a Response in Form 11, and
 - ii. 2 copies of each of the affidavits and other documents, not already in the court file, on which you intend to rely at the hearing, and
- (b) deliver to every other party of record:
 - i. one copy of a Response in Form 11, and
 - ii. one copy of each of the affidavits and other documents, not already in the court file, on which you intend to rely at the hearing.

TIME FOR RESPONSE

The Response must be delivered on or before 11:00 a.m. (local time in Whitehorse) on February 22, 2012.

PETITIONERS' ADDRESS FOR DELIVERY:

Macdonald & Company
Lawyers
Suite 200 - 204 Lambert Street
Whitehorse, Yukon
Y1A 3T2

DATED: January 23, 2012



Gareth C. Howells
Lawyer for the Petitioners,
European Goldfields Limited and
Eldorado Gold Yukon Corp.

FORM 52 (Rule 47(1))

Supreme Court No.: 11-A0103

SUPREME COURT OF YUKON

IN THE MATTER OF AN APPLICATION FOR APPROVAL
OF AN ARRANGEMENT UNDER SECTION 195 OF
THE *BUSINESS CORPORATIONS ACT* OF THE YUKON TERRITORY
R.S.Y. 2002, C.20 AND AMENDMENTS THERETO

EUROPEAN GOLDFIELDS LIMITED

and

ELDORADO GOLD YUKON CORP.

PETITIONERS

NOTICE OF APPLICATION

Macdonald & Company
Barristers & Solicitors
200 - 204 Lambert Street
Whitehorse, Yukon
Y1A 3T2

**APPENDIX F
DISSENT PROVISIONS**

Section 193 of the *Business Corporations Act* (Yukon)

Shareholder's right to dissent

193(1) Subject to sections 194 and 243, a holder of shares of any class of a corporation may dissent if the corporation resolves to

- (a) amend its articles under section 175 or 176 to add, change or remove any provisions restricting or constraining the issue or transfer of shares of that class;
- (b) amend its articles under section 175 to add, change or remove any restrictions on the business or businesses that the corporation may carry on;
- (c) amalgamate with another corporation, otherwise than under section 186 or 189;
- (d) be continued under the laws of another jurisdiction under section 191; or
- (e) sell, lease or exchange all or substantially all its property under section 192.

(2) A holder of shares of any class or series of shares entitled to vote under section 178 may dissent if the corporation resolves to amend its articles in a manner described in that section.

(3) In addition to any other right, but subject to subsection (20), a shareholder entitled to dissent under this section and who complies with this section is entitled to be paid by the corporation the fair value of the shares in respect of which the shareholder dissents, determined as of the close of business on the last business day before the day on which the resolution from which the shareholder dissents

(4) A dissenting shareholder may only claim under this section with respect to all the shares of a class held by the dissenting shareholder or on behalf of any one beneficial owner and registered in the name of the dissenting shareholder.

(5) A dissenting shareholder shall send to the corporation a written objection to a resolution referred to in subsection (1) or (2)

- (a) at or before any meeting of shareholders at which the resolution is to be voted on; or
- (b) if the corporation did not send notice to the shareholder of the purpose of the meeting or of the shareholder's right to dissent, within a reasonable time after learning that the resolution was adopted and of the right to dissent.

(6) An application may be made to the Supreme Court after the adoption of a resolution referred to in subsection (1) or (2),

- (a) by the corporation; or
- (b) by a shareholder if an objection to the corporation under subsection (5) has been sent by the shareholder,

to set the fair value in accordance with subsection (3) of the shares of a shareholder who dissents under this section.

(7) If an application is made under subsection (6), the corporation shall, unless the Supreme Court otherwise orders, send to each dissenting shareholder a written offer to pay an amount considered by the directors to be the fair value of the shares to that shareholder.

(8) Unless the Supreme Court otherwise orders, an offer referred to in subsection (7) shall be sent to each dissenting shareholder

(a) at least 10 days before the date on which the application is returnable, if the corporation is the applicant; or

(b) within 10 days after the corporation is served with a copy of the originating notice, if a shareholder is the applicant.

(9) Every offer made under subsection (7) shall

(a) be made on the same terms; and

(b) contain or be accompanied by a statement showing how the fair value was determined.

(10) A dissenting shareholder may make an agreement with the corporation for the purchase of that shareholder's shares by the corporation, in the amount of the corporation's offer under subsection (7) or otherwise, at any time before the Supreme Court pronounces an order setting the fair value of the shares.

(11) A dissenting shareholder

(a) is not required to give security for costs in respect of an application under subsection (6); and

(b) except in special circumstances shall not be required to pay the costs of the application or appraisal.

(12) In connection with an application under subsection (6), the Supreme Court may give directions for

(a) joining as parties all dissenting shareholders whose shares have not been purchased by the corporation and for the representation of dissenting shareholders who, in the opinion of the Supreme Court, are in need of representation;

(b) the trial of issues and interlocutory matters, including pleadings and examinations for discovery;

(c) the payment to the shareholder of all or part of the sum offered by the corporation for the shares;

(d) the deposit of the share certificates with the Supreme Court or with the corporation or its transfer agent;

(e) the appointment and payment of independent appraisers, and the procedures to be followed by them;

(f) the service of documents; and

(g) the burden of proof on the parties.

(13) On an application under subsection (6), the Supreme Court shall make an order

(a) setting the fair value of the shares in accordance with subsection (3) of all dissenting shareholders who are parties to the application;

(b) giving judgment in that amount against the corporation and in favour of each of those dissenting shareholders; and

(c) setting the time within which the corporation must pay that amount to a shareholder.

(14) On

(a) the action approved by the resolution from which the shareholder dissents becoming effective;

(b) the making of an agreement under subsection (10) between the corporation and the dissenting shareholder as to the payment to be made by the corporation for that shareholder's shares, whether by the acceptance of the corporation's offer under subsection (7) or otherwise; or

(c) the pronouncement of an order under subsection (13),

whichever first occurs, the shareholder ceases to have any rights as a shareholder other than the right to be paid the fair value of the shares in the amount agreed to between the corporation and the shareholder or in the amount of the judgment, as the case may be.

(15) Paragraph (14)(a) does not apply to a shareholder referred to in paragraph (5)(b).

(16) Until one of the events mentioned in subsection (14) occurs,

(a) the shareholder may withdraw the dissent; or

(b) the corporation may rescind the resolution,

and in either event proceedings under this section shall be discontinued.

(17) The Supreme Court may in its discretion allow a reasonable rate of interest on the amount payable to each dissenting shareholder, from the date on which the shareholder ceases to have any rights as a shareholder because of subsection (14) until the date of payment.

(18) If subsection (20) applies, the corporation shall, within 10 days after

(a) the pronouncement of an order under subsection (13); or

(b) the making of an agreement between the shareholder and the corporation as to the payment to be made for the shares,

notify each dissenting shareholder that it is unable lawfully to pay dissenting shareholders for their shares.

(19) Even though a judgment has been given in favour of a dissenting shareholder under paragraph (13)(b), if subsection (20) applies, the dissenting shareholder, by written notice delivered to the corporation within 30 days after receiving the notice under subsection (18), may withdraw the notice of objection, in which case the corporation is deemed to consent to the withdrawal and the shareholder is reinstated to having full rights as a shareholder, failing which the shareholder retains a status as a claimant against the corporation, to be paid as soon as the corporation is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the corporation but in priority to its shareholders.

(20) A corporation shall not make a payment to a dissenting shareholder under this section if there are reasonable grounds for believing that

(a) the corporation is or would after the payment be unable to pay its liabilities as they become due; or

(b) the realizable value of the corporation's assets would thereby be less than the aggregate of its liabilities.

APPENDIX G
UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS



Unaudited pro forma consolidated financial statements

September 30, 2011

Suite 1188 – 550 Burrard Street
Vancouver, British Columbia
Canada V6C 2B5

Phone: (604) 687-4018
Fax: (604) 687-4026

Toronto Stock Exchange: ELD
New York Stock Exchange: EGO

ELDORADO GOLD CORPORATION
Pro Forma Consolidated Balance Sheet
September 30, 2011
(Unaudited)

(Expressed in thousands of U.S. dollars)

| | Eldorado Gold Corporation | European Goldfields Ltd. | Note 4 | Pro forma adjustments | Pro forma consolidated |
|--|------------------------------|-----------------------------|--------|--------------------------|---------------------------|
| ASSETS | | | | | |
| Current assets | | | | | |
| Cash and cash equivalents | \$ 356,543 | \$ 24,309 | (a)(b) | \$ (37,004) | \$ 343,848 |
| Restricted cash | 55,417 | - | | - | 55,417 |
| Marketable securities | 4,272 | - | | - | 4,272 |
| Accounts receivable and other | 38,437 | 10,577 | | - | 49,014 |
| Inventories | 160,564 | 8,209 | | - | 168,773 |
| | <u>615,233</u> | <u>43,095</u> | | <u>(37,004)</u> | <u>621,324</u> |
| Non-current inventories | 27,549 | - | | - | 27,549 |
| Investments in significantly influenced companies | 7,129 | 739 | | - | 7,868 |
| Restricted assets and other | 29,950 | 24,003 | | - | 53,953 |
| Mining interests | 2,821,366 | 430,771 | (d) | 2,159,056 | 5,411,193 |
| Deferred income taxes | 4,329 | - | | - | 4,329 |
| Goodwill | 365,928 | - | (d) | 237,259 | 603,187 |
| | <u>\$ 3,871,484</u> | <u>\$ 498,608</u> | | <u>2,359,311</u> | <u>\$ 6,729,403</u> |
| LIABILITIES & EQUITY | | | | | |
| Current liabilities | | | | | |
| Accounts payable and accrued liabilities | \$ 167,579 | \$ 15,181 | (c) | \$ (8,887) | \$ 173,873 |
| Deferred revenue | - | 4,773 | (d) | (4,773) | - |
| Debt - current | 85,687 | - | | - | 85,687 |
| | <u>253,266</u> | <u>19,954</u> | | <u>(13,660)</u> | <u>259,560</u> |
| Debt - long-term | 19,255 | - | | - | 19,255 |
| Deferred revenue | - | 43,130 | (d) | (43,130) | - |
| Asset retirement obligations | 34,417 | 15,674 | | - | 50,091 |
| Pension fund obligation | 12,166 | - | | - | 12,166 |
| Deferred income taxes | 335,145 | 44,715 | (d) | 432,945 | 812,805 |
| | <u>654,249</u> | <u>123,473</u> | | <u>376,155</u> | <u>1,153,877</u> |
| Equity | | | | | |
| Share capital | 2,854,369 | 583,958 | (d) | 1,666,144 | 5,104,471 |
| Treasury stock | (4,213) | - | | - | (4,213) |
| Contributed surplus | 27,357 | 31,765 | (d) | (23,803) | 35,319 |
| Accumulated other comprehensive (loss) income | (3,454) | (1,953) | (d) | 1,953 | (3,454) |
| Retained earnings (deficit) | 293,870 | (241,011) | (d) | 196,431 | 249,290 |
| Total equity attributable to shareholders of the Company | <u>3,167,929</u> | <u>372,759</u> | | <u>1,840,725</u> | <u>5,381,413</u> |
| Attributable to non-controlling interests | 49,306 | 2,376 | (d) | 142,431 | 194,113 |
| | <u>\$ 3,217,235</u> | <u>\$ 375,135</u> | | <u>1,983,156</u> | <u>\$ 5,575,526</u> |
| | <u>\$ 3,871,484</u> | <u>\$ 498,608</u> | | <u>\$ 2,359,311</u> | <u>\$ 6,729,403</u> |

ELDORADO GOLD CORPORATION
Pro Forma Consolidated Statement of Operations
For the nine months ended September 30, 2011
(Unaudited)

(Expressed in thousands of U.S. dollars)

| | Eldorado Gold Corporation | European Goldfields Ltd. | Note 4 | Pro forma adjustments | Pro forma consolidated |
|--|------------------------------|-----------------------------|--------|--------------------------|---------------------------|
| Revenue | | | | | |
| Metal sales | \$ 795,570 | \$ 40,655 | | \$ - | \$ 836,225 |
| Cost of sales | | | | | |
| Production costs | 250,762 | 26,409 | | - | 277,171 |
| Depreciation and amortization | 91,014 | 3,803 | (e) | 13,847 | 108,664 |
| Total cost of sales | 341,776 | 30,212 | | 13,847 | 385,835 |
| Gross profit (loss) | 453,794 | 10,443 | | (13,847) | 450,390 |
| Exploration expenses | 15,359 | 3,184 | (h) | 1,444 | 19,987 |
| General and administrative expenses | 45,815 | 16,597 | | - | 62,412 |
| Defined benefit plan expense | 1,274 | - | | - | 1,274 |
| Share based payments | 15,403 | 14,670 | | - | 30,073 |
| Foreign exchange loss | 5,558 | (1,609) | | - | 3,949 |
| Operating profit (loss) | 370,385 | (22,399) | | (15,291) | 332,695 |
| (Gain) on disposal of assets | (2,672) | - | | - | (2,672) |
| Loss on marketable securities | 239 | - | | - | 239 |
| Loss (gain) on investments in significantly influenced companies | 2,861 | 5 | | - | 2,866 |
| Other (income) | (8,326) | 7,226 | | - | (1,100) |
| Asset retirement obligation costs | 1,160 | 325 | | - | 1,485 |
| Interest and financing costs | 5,407 | - | | - | 5,407 |
| Profit (loss) before income tax | 371,716 | (29,955) | | (15,291) | 326,470 |
| Income tax expense | 120,520 | (897) | | - | 119,623 |
| Profit (loss) for the period | \$ 251,196 | \$ (29,058) | | \$ (15,291) | \$ 206,847 |
| Attributable to: | | | | | |
| Shareholders of the Company | 229,816 | (28,940) | | (15,291) | 185,585 |
| Non-controlling interests | 21,380 | (118) | | - | 21,262 |
| Profit (loss) for the period | \$ 251,196 | \$ (29,058) | | \$ (15,291) | \$ 206,847 |
| Weighted average number of shares outstanding | | | | | |
| Basic | 548,800 | | | | 712,021 |
| Diluted | 550,737 | | | | 713,958 |
| Earnings per share attributable to shareholders of the Company: | | | | | |
| Basic earnings per share | 0.42 | | | | 0.26 |
| Diluted earnings per share | 0.42 | | | | 0.26 |

ELDORADO GOLD CORPORATION
Pro Forma Consolidated Statement of Operations
For the year ended December 31, 2010
(Unaudited)

(Expressed in thousands of U.S. dollars)

| | Eldorado Gold Corporation | European Goldfields Ltd. | Note 4 | Pro forma adjustments | Pro forma consolidated |
|--|------------------------------|-----------------------------|--------|--------------------------|---------------------------|
| Revenue | | | | | |
| Metal sales | \$ 791,175 | \$ 49,855 | | \$ - | \$ 841,030 |
| Cost of sales | | | | | |
| Production costs | 277,974 | 37,577 | | - | 315,551 |
| Depreciation and amortization | 107,157 | 6,379 | (e) | 19,598 | 133,134 |
| Total cost of sales | 385,131 | 43,956 | | 19,598 | 448,685 |
| Gross profit (loss) | 406,044 | 5,899 | | (19,598) | 392,345 |
| Exploration expenses | 22,501 | 4,146 | (h) | 3,011 | 29,658 |
| Mine standby costs | 1,335 | - | | - | 1,335 |
| General and administrative expenses | 44,935 | 24,828 | | - | 69,763 |
| Acquisition costs | - | - | (f) | 43,386 | 43,386 |
| Defined benefit plan expense | 1,077 | - | | - | 1,077 |
| Share based payments | 17,112 | 15,907 | (g) | 1,194 | 34,213 |
| Foreign exchange loss | 2,972 | 3,321 | | - | 6,293 |
| Operating profit (loss) | 316,112 | (42,303) | | (67,189) | 206,620 |
| (Gain) on disposal of assets | (592) | - | | - | (592) |
| (Gain) on marketable securities | (6,572) | - | | - | (6,572) |
| Loss (gain) on investments in significantly influenced companies | 531 | (10) | | - | 521 |
| Other (income) | (13,468) | (883) | | - | (14,351) |
| Asset retirement obligation costs | 2,727 | 413 | | - | 3,140 |
| Interest and financing costs | 8,089 | - | | - | 8,089 |
| Profit (loss) before income tax | 325,397 | (41,823) | | (67,189) | 216,385 |
| Income tax expense | 86,939 | 1,805 | | - | 88,744 |
| Profit (loss) for the period | \$ 238,458 | \$ (43,628) | | \$ (67,189) | \$ 127,641 |
| Attributable to: | | | | | |
| Shareholders of the Company | 221,001 | (43,192) | | (67,189) | 110,620 |
| Non-controlling interests | 17,457 | (436) | | - | 17,021 |
| Profit (loss) for the period | \$ 238,458 | \$ (43,628) | | \$ (67,189) | \$ 127,641 |
| Weighted average number of shares outstanding | | | | | |
| Basic | 542,861 | | | | 706,082 |
| Diluted | 545,850 | | | | 709,071 |
| Earnings per share attributable to shareholders of the Company: | | | | | |
| Basic earnings per share | 0.41 | | | | 0.16 |
| Diluted earnings per share | 0.40 | | | | 0.16 |

ELDORADO GOLD CORPORATION
Notes to the Pro Forma Consolidated Financial Statements
(Unaudited)

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

1. Basis of presentation

The unaudited pro forma consolidated balance sheet of Eldorado Gold Corporation (“Eldorado” or “the Company”) as at September 30, 2011 and unaudited pro forma consolidated statements of operations for the nine month period ended September 30, 2011 and for the year ended December 31, 2010 have been prepared by management of Eldorado in accordance with International Financial Reporting Standards (“IFRS”) for illustrative purposes only, to show the effect of the acquisition of all of the issued and outstanding common shares of European Goldfields Ltd. (“European Goldfields”) which is more fully described in Note 3.

These unaudited pro forma consolidated financial statements have been compiled from and include:

- a) An unaudited pro forma consolidated balance sheet combining the unaudited consolidated balance sheet of Eldorado as at September 30, 2011 and the unaudited consolidated balance sheet of European Goldfields as at September 30, 2011.
- b) An unaudited pro forma consolidated statement of operations for the nine months ended September 30, 2011 combining:
 - i) the unaudited consolidated statement of operations of Eldorado for the nine months ended September 30, 2011; and
 - ii) the unaudited consolidated statement of operations of European Goldfields for the nine months ended September 30, 2011.
- c) An unaudited pro forma consolidated statement of operations for the year ended December 31, 2010 combining:
 - i) the unaudited consolidated statement of operations of Eldorado for the year ended December 31, 2010, with IFRS transitional adjustments, as reported in the March 31, 2011 interim period financial statements; and
 - ii) the unaudited consolidated statement of operations of European Goldfields for the year ended December 31, 2010, with IFRS transitional adjustments, as reported in the March 31, 2011 interim period financial statements.

The unaudited pro forma consolidated balance sheet as at September 30, 2011 has been prepared as if the transaction described in Note 3 had occurred on September 30, 2011. The unaudited pro forma consolidated statements of operations for the nine months ended September 30, 2011 and for the year ended December 31, 2010 have been prepared as if the transaction described in Note 3 had occurred on January 1, 2010.

It is management’s opinion that these unaudited pro forma consolidated financial statements present in all material respects, the transactions, assumptions and adjustments described in Notes 3 and 4, in accordance with IFRS. These unaudited pro forma consolidated financial statements are not intended to reflect the results of operations or the financial position of Eldorado which would have actually resulted had the transaction been effected on the dates indicated. Actual amounts recorded once the transaction is completed are likely to differ from those recorded in the unaudited pro forma consolidated financial statements. Any potential synergies that may be realized and integration costs that may be incurred upon consummation of the transaction have been excluded from the unaudited pro forma consolidated financial statements. Further, the

ELDORADO GOLD CORPORATION
Notes to the Pro Forma Consolidated Financial Statements
(Unaudited)

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

unaudited pro forma consolidated financial statements are not necessarily indicative of the results of operations that may be obtained in the future.

These unaudited pro forma consolidated financial statements should be read in conjunction with the historical consolidated financial statements and notes of Eldorado and European Goldfields referred to above.

2. Significant accounting policies

The accounting policies used in the preparation of these unaudited pro forma consolidated financial statements are those as set out in Eldorado's unaudited consolidated financial statements for the period ended March 31, 2011, which represents the initial period reported under IFRS. In preparing the unaudited pro forma consolidated financial information a review was undertaken to identify any accounting policy differences between Eldorado and European Goldfields where the impact was potentially material and could be reasonably estimated. Upon review, a difference in accounting policies was noted whereby European Goldfields capitalizes certain exploration expenditures which would be expensed under Eldorado's accounting policies. Pro forma adjustments have been made to exploration expenses to reflect Eldorado's policy. Further accounting policy differences may be identified after completion and integration of the acquisition.

3. Acquisition

Eldorado has agreed to acquire all of the issued and outstanding shares of European Goldfields in an agreement signed on December 18, 2011 ("the Agreement"). Under the terms of the Agreement, each outstanding European Goldfields common share would be exchanged for 0.85 of a common share of Eldorado, and C\$0.0001 in cash for each outstanding share of European Goldfields. In addition, each outstanding option of European Goldfields shall be exchanged for options of Eldorado that will entitle the holder to receive, upon the exercise thereof, Eldorado shares based upon the 0.85 exchange ratio.

Eldorado held no shares of European Goldfields as at September 30, 2011. This transaction has been accounted for as a business acquisition.

The unaudited pro forma consolidated financial statements assumes that the cost of acquisition will comprise the fair value of Eldorado shares issued, based on the issuance of 163,220,632 Eldorado shares at C\$14.02 per share, cash of C\$0.0001 per European Goldfields share outstanding and the consideration for replacement options of C\$6.88 million (US\$6.77 million), for a total consideration of C\$2.30 billion (US\$2.26 billion). The consideration amount for Eldorado's common shares is based on the closing share price and exchange rates on December 31, 2011.

Eldorado has not yet determined the fair value of all of the identifiable assets and liabilities acquired. Therefore, the excess of purchase consideration over the book values of European Goldfields' assets and liabilities has been included in mining interests and goodwill. The increase in future income taxes is a result of the tax effect on the adjustment from book value to fair value of the mining interests. Eldorado is currently undergoing a process whereby the fair value of all identifiable assets and liabilities acquired as well as any future income taxes arising upon the acquisition will be determined.

ELDORADO GOLD CORPORATION
Notes to the Pro Forma Consolidated Financial Statements
(Unaudited)

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

Preliminary purchase price

| | |
|---|---------------------|
| 163,220,632 common shares of shares of Eldorado at C\$14.02/share | \$ 2,250,102 |
| Cash consideration | 16 |
| Consideration for replacement options | 6,768 |
| Total Consideration | <u>\$ 2,256,886</u> |

| | |
|--------------------------|---------------------|
| Net assets acquired | |
| Working capital | \$ 43,199 |
| Other assets | 24,742 |
| Mining interests | 2,589,827 |
| Goodwill | 237,259 |
| Non-current liabilities | (15,674) |
| Deferred income taxes | (477,660) |
| Non-controlling interest | (144,807) |
| | <u>\$ 2,256,886</u> |

For purposes of determining the consideration transferred within the unaudited pro forma financial information, the closing Eldorado common share price of C\$14.02 at December 31, 2011 was used. As a result of expected share price volatility management has used a 5% volatility factor to illustrate the share price movement and its impact on total consideration, mining interests and goodwill in the purchase price allocation.

- a) A 5% increase in the share price to C\$14.72 results in:
 - i. Total consideration of \$2,369.8
 - ii. Mining interests of \$2,589.8
 - iii. Goodwill of \$350.1
- b) A 5% decrease in the share price to C\$13.35 results in:
 - i. Total consideration of \$2,148.6
 - ii. Mining interests of \$2,589.8
 - iii. Goodwill of \$129.0

4. Pro forma assumptions and adjustments

Pro forma adjustments to consolidated balance sheet

The unaudited pro forma consolidated balance sheet reflects the following adjustments as if the transaction with European Goldfields had occurred on September 30, 2011:

- a) A reduction of cash and cash equivalents of approximately \$43.4 million to record transaction costs and \$14.3 million of other costs incurred relating to the acquisition.
- b) An increase of cash of \$20.7 million to recognize the cash received based on the assumed exercise of European Goldfields in the money options as at September 30, 2011.

ELDORADO GOLD CORPORATION
Notes to the Pro Forma Consolidated Financial Statements
(Unaudited)

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

- c) The elimination of the \$8.9 million accrual recognized by European Goldfields as at September 30, 2011 for the assumed settlement of European Goldfields deferred phantom units in accordance with the support agreement
- d) To record the acquisition of European Goldfields at a purchase price of \$2,256.9 million as detailed in Note 3 above.

Pro forma adjustments to consolidated statements of operations

Adjustments have been made to the unaudited pro forma consolidated statements of operations to recognize the expensing of acquisition costs as required under IFRS, as well as the depreciation of the allocated purchase price to the current operating mine as if the transaction with European Goldfields had occurred on January 1, 2010:

- e) Depreciation expense of \$13,847 for the nine months ended September 30, 2011 and \$19,598 for the year ended December 31, 2010 for the allocated purchase price relating to the depreciable assets acquired.
- f) Transaction costs of \$43,386 relating to acquisition.
- g) Recognition of the fair value expense increment of replacement stock options for \$1,194.
- h) Expensing of exploration and evaluation costs of \$1,444 for the nine months ended September 30, 2011 and \$3,011 for the year ended December 31, 2010 relating to exploration activities where there is no defined resource. This adjustment was made to be consistent with Eldorado's accounting policy.

ELDORADO GOLD CORPORATION
Notes to the Pro Forma Consolidated Financial Statements
(Unaudited)

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

5. Pro forma earnings per share

The weighted average shares outstanding have been adjusted to reflect the additional shares resulting from transactions described in Notes 3 and 4 effective January 1, 2010.

| Basic earnings per share | Nine months ended September 30, 2011 | Year ended December 31, 2010 |
|--|---|---|
| Weighted average number of Eldorado shares outstanding | 548,800 | 542,861 |
| Adjustment to reflect acquisition of European Goldfields | 163,221 | 163,221 |
| | <u>712,021</u> | <u>706,082</u> |
| Pro forma adjusted net earnings | \$ 185,585 | \$ 110,620 |
| Pro forma adjusted basic earnings per share | <u>\$ 0.26</u> | <u>\$ 0.16</u> |
| | | |
| Diluted earnings per share | Nine months ended September 30, 2011 | Year ended December 31, 2010 |
| Pro forma weighted average number of shares outstanding | 712,021 | 706,082 |
| Dilutive impact of stock options | 1,937 | 2,989 |
| | <u>713,958</u> | <u>709,071</u> |
| Pro forma adjusted net earnings | \$ 185,585 | \$ 110,620 |
| Pro forma adjusted earnings per share - diluted | <u>\$ 0.26</u> | <u>\$ 0.16</u> |

**APPENDIX H
ELDORADO PROPERTY INFORMATION**

Tocantinzinho

A technical report on the Tocantinzinho project (the “**Tocantinzinho Report**”), entitled “Technical Report for the Tocantinzinho Gold Project”, dated May 4, 2011 with an effective date of May 3, 2011, has been prepared for Eldorado in accordance with NI 43-101 by or under the supervision of Stephen Juras, Ph.D., P.Geol., Sean Gregersen, P.Eng. and Rick Alexander, P.Eng., each qualified persons within the meaning of NI 43-101. Messrs. Juras, Gregersen and Alexander are each employed by Eldorado. A copy of the Tocantinzinho Report may be obtained through the SEDAR website at www.sedar.com.

Below is updated disclosure concerning the Tocantinzinho project based on the Tocantinzinho Report. This disclosure supercedes the information concerning the Tocantinzinho project contained in the Eldorado AIF.

| | |
|---|---|
| location | Brazil |
| ownership | Unamgen Mineração e Metalurgia S/A (“ Unamgen ”), a wholly owned subsidiary of Eldorado 100% |
| type of mine | open pit |
| metal | Gold |
| in situ gold (as of December 31, 2010) | <p>proven and probable reserves: 1.98 million ounces, grade: 1.25 g/t</p> <p>measured and indicated resources: 2.39 million ounces, grade 1.06 g/t</p> <p>inferred resources: 0.15 million ounces, grade: 0.66 g/t</p> <p>(See pages 58 through 60 and page 63 of the Eldorado AIF for more information.)</p> |
| average annual production | 159,000 ounces |
| expected mine life | 11 years |
| commercial production | Second quarter of 2015 |
| employees | ~ 575 (at full production) |

History

| | |
|------------------------|--|
| 1950s | Gold reported to have been discovered in the region through garimpeiros activities |
| 1970 | Gold production initiated |
| 1979 | Mineração Aurífera Limitada obtained an exploration license with the Departamento Nacional de Produção Mineral (“ DNPM ”) over the Tocantinzinho project area which expired in 1986 |
| 1980s 1990s | According to unofficial data, historical production, by primitive artisanal methods amounted to between 200,000 and one million ounces of gold per year |
| 1997 | Renison Goldfields (Australia) and Altoro Gold Corp. (“ Altoro ”) formed a joint venture to explore gold deposits in Brazil and acquired the Tocantinzinho project |
| 1988 | Altoro acquired the Tocantinzinho project from the joint venture |

| | |
|------|---|
| 1998 | Altoro carried out soil geochemistry, ground magnetic surveys, auger drilling and geological mapping |
| 2000 | Solitario Resources Corporation acquired Altoro and the Tocantinzinho project was terminated |
| 2003 | Brazauro Resources Corp. (" Brazauro "), through its Brazilian subsidiary Jaguar Resources do Brazil Ltda., acquired the properties covering the Tocantinzinho mineralization |
| 2003 | Brazauro conducted diamond drilling with a total of 25,635 metres on 97 holes |
| 2008 | Eldorado and Brazauro signed an agreement to explore and develop the Tocantinzinho project |
| 2010 | Exploration continued and under Eldorado's direction a further 62 reverse circulation and auger drill holes were completed totaling 19,431 metres and soil geochemistry and geological mapping in the surroundings were completed |
| 2010 | Eldorado completed an arrangement to acquire all of the issued and outstanding securities of Brazauro not already owned |

Licenses, permits and royalties

| | |
|-------------------------------|---|
| Mining and Exploration | <p>The Tocantinzinho project comprises an area of 14,000 ha represented by two core claims: DNPM no. 850.706/1979 and DNPM no. 850.300/2003. Both are currently in the midst of a governmental review process for renewal. Peripheral claims, DNPM no. 850.017/2008, DNPM no. 850.198/2003, DNPM no. 850.288/2008 and DNPM no. 850.879/2007, have an area of approximately 27,865 ha. The first license has exploration permit status and expires 24 March 2013 whereas the second and third licenses are presently being upgraded to exploration permit status. The last license is undergoing a review of ownership before granting of exploration permit status.</p> |
| Surface | <p>Unamgen does not currently hold surface rights to the Tocantinzinho project and expects to hold negotiations with the Brazilian Federal Government who is the owner of the surface rights in the area of the project. The National Institute of Colonization and Agrarian Reform INCRA has issued a certificate stating that there are no Indian Reserves, Traditional Communities nor small agricultural settlements in the area.</p> <p>Three former gold diggers (garimpeiros) consider themselves entitled to surface rights in the area of Tocantinzinho project. Should it be evidenced that the individuals concerned do have the right to occupy the land; Eldorado anticipates it would negotiate indemnification of such individuals in accordance with the principles of the Brazilian Mining Code.</p> |
| Permits | <p>Eldorado will need the following permits:</p> <ul style="list-style-type: none"> • preliminary environmental permit: Eldorado submitted the environmental impact assessment ("EIA") in July, 2011. Evaluation is ongoing. • implementation permit: Eldorado will need to prepare a detailed environmental management plan detailing the programs in the EIA in order to obtain this permit. The implementation permit is necessary to proceed with construction. • operation permit • water permit: Unamgen has held preliminary discussions with Brazilian authorities regarding a permit to extract water from the Tocantinzinho River and pump it to the project facilities. A water catchment facility will need to be installed and a permit will need to be issued by the Interior's Special Environmental Agency. Eldorado believes it is reasonable to expect that this permit will be granted and sufficient access to water will be available to meet processing requirements. |
| Royalties | <p>NSR Royalty: Eldorado has a royalty agreement with Mr. Alan Carter and Mr. Dennis Moore which provides for the payment of a net smelter return royalty of 1.5% payable in addition of a down payment of US\$5,500,000 in the first year of production.</p> <p>Federal Royalty: Financial Compensation for the Exploitation of Mineral Resources: A royalty of 1% of the total value of sales revenues, excluding tax, refining, transportation and insurance costs is payable to the federal government.</p> |

About the Property

The Tocantinzinho project is located in the State of Pará in northern Brazil in the Tapajós Gold Province, approximately 200 kilometres south-southwest of the city of Itaituba; 108 kilometres from the district of Morais Almeida and approximately 1,150 kilometres in S60°W bearing from Belém, the capital of Pará State located along the north seacoast of Brazil, at the mouth of the Amazon River (UTM Coordinates N:9,330,700 and E:578,200).

Itaituba is the local center for services and supplies. The Cuiabá-Santarém Highway BR-163 extending northward from the state of Mato Grosso, reaches Itaituba via a ferry crossing of the Tapajós River. Most heavy equipment and supplies reaches Itaituba by small ship. The Tocantinzinho River and other small streams that transect the region allow access to the project by small boat. Diamond drilling equipment and fuel are brought to the property by boat along the river, through the village of Aruri. Road access is not yet available to the project, but active logging roads reach to within 12 kilometres of Tocantinzinho. The local road from the Transgarimpeira Road to Mamoal will require improvements and additionally, a 40 kilometre road will be constructed from Mamoal to the site for future access.

Two airstrips serve the Tocantinzinho project. One, called Pista Velha, is 350 meters long and is situated between the main mineralized zone and the Tocantins river. A second airstrip, called Pista Nações Unidas, is 775 meters long and is situated 2.0 kilometres south of the camp. This airstrip is used to supply camp with personnel and supplies.

Power will be supplied to the Tocantinzinho project from the Novo Progresso substation to the south, which will require the construction of approximately 190 kilometres of transmission line and a 138 kV substation to the site.

Climate and Topography

Brazil's Northern Region is characterized by vast expanses of flat lands near sea level traversed by the Equator. The warm climate zone in the Northern Region has very distinct areas that lead to three climate subzones (subtypes): extremely wet, wet, and semi-wet.

Rain is generated by tropical instability lines (IT), where converging air leads sometimes to the formation of rain and thunderstorms and sometimes to the formation of hail and moderate to strong winds with gusts reaching 60 to 90 kilometres per hour.

The mean annual temperature in the region is about 27°C. In general, the temperature amplitudes are small with a gradual increase during winter. The mean absolute values are in range of 21°C to 34°C. The relative humidity is higher than 80% during whole year.

The average annual precipitation is about 2,000 millimetres. The rainiest trimester contributes about 40% of total annual rainfall, corresponding to the months of February, March and April. The driest trimester, corresponding to the months of July, August and September, contribute less than 15% of total annual rainfall. Consideration must be given at the planning stage to the impact of the wet season on construction process.

The project site is located in the central area of the Tapajós River basin, approximately 100 kilometres to the southeast of the Tapajós River. The regional drainage is to the north. Topography within the project

area is irregular with moderate relief. Elevations within the project area vary from approximately 120 metres at the Tocantinzinho River to over 200 metres local topographic highs.

Operations

It is proposed that the Tocantinzinho project be mined by conventional open-pit mining methods utilizing owner operated truck and shovel combinations to maximize production. The mine has been designed as a single open pit operation using three pit phases over 11 years, including a pre-stripping year, with a peak mining rate of 26 million tonnes per year.

Waste rock will be hauled to a dedicated waste dump adjacent to the open pit. Oxide ore will be stockpiled during the first phase of mining then fed into the plant on an on-going basis.

Extensive metallurgy has defined the most effective gold recovery process for Tocantinzinho as whole ore gravity and flotation recovery with cyanidation of the concentrates to produce gold and silver doré. Overall gold recovery using this process has been estimated at 90.1%. Based on these design criteria, a conventional crushing, screening and grinding circuit has been designed using two stages of crushing followed by a ball mill. A gravity concentrate will be combined with flotation concentrate prior to carbon-in-pulp leaching, stripping and refining. Tailings from the solution circuit will be detoxified prior to blending with flotation tailings and disposal in a conventional tailings dam. The processing plant will operate 24 hours per day.

A tailings dam will receive sediment from the area surrounding the main reservoir and tailing derived from the recovery process. The final dam crest elevation at 173 metres will require building three enclosure (saddle) dams. The estimated storage capacity proposed for tailings storage is 39.7 million cubic metres corresponding to the tailings output throughput for the expected 11 year mine life. Additional storage capacity available in the basin will require further design work and capital expenditure.

Life of Mine Production and Cost Estimates

- production: 4.4 million tonnes per year
- gold doré: 159,000 ounces per year at a metallurgical recovery of 90.1%
- cash operating cost: \$559 per ounce
- capital costs: \$383.5 million (not including sustaining costs, working capital and mine site closure)
- payback period of capital: 5.1 years

Environment

As part of the pre-feasibility studies completed, a preliminary conceptual closure plan was developed to provide preliminary closure guidelines for the Tocantinzinho project. The preliminary plan, which will be further advanced as feasibility studies continue, focused on closure measures in connection with the open pit, waste rock pile, ore pile, processing plant, tailings dam, on-site infrastructure, camp and road. A preliminary cost estimate of \$19.4 million was prepared in order to provide an order of magnitude of closure costs. This cost estimate is preliminary in nature and is subject to change based on detailed

engineering design. A conceptual closure plan, consistent with industry standards, will be developed in connection with ongoing feasibility studies completed on the project.

Garimpeiros have been working the project for decades with continued activity at the site and there is expected to be environmental contamination related to the past activities. The primary method of gold extraction used by the garimpeiros was mercury and testing will need to be conducted to determine the volume of tailings and its level of mercury. A remediation plan will be developed once data is collected and studies are completed to mitigate any potential risk.

Geology and Mineralization

Geological Setting

The Tocantinzinho project lies within the Tapajós gold district, in the south-central part of the Amazon Craton. The district is dominantly underlain by granitic rocks of Paleoproterozoic age. The oldest mapped rocks are gneiss, schist, and metagranite of the Cuiu-Cuiu complex (2,011-2,033 Ma), which are intruded by granite and granodiorite of the Parauari Suite (1,957-1,997 Ma), tonalite, diorite and granodiorite of the Tropas Suite (1,898-1,907 Ma), and granite and granodiorite of the Creporizão Suite (1,853- 1,893 Ma). Extrusive volcanic rocks of the Bom Jardim, Salustiano, and Aruri Formations (1,853-1,900 Ma) cut all of these units. Alkaline granites of the Maloquinha Suite (1,870-1,882 Ma) are widespread and intrude all older rock units.

Gold mineralization is found throughout the Tapajos district. Known deposits are:

- Cuiu-Cuiu (Cuiu-Cuiu Complex)
- Tocantinzinho, Palito (Parauari Suite)
- Ouro Roxo (Tropas Suite)
- São Jorge, Sucuri (Creporizão Suite)
- V3-Botica, Bom Jardim and Doze de Outubro (Salustiano and Bom Jardim Formations)
- Mamoa (Maloquinha Suite)

Many of the known gold occurrences in the Tapajos, including Tocantinzinho, are along a northwest trending regional lineament known as the Tocantinzinho Trend. The trend is readily visible in regional topographic data, satellite images, and airborne geophysical data. The Tocantinzinho deposit is elongate in this same northwest orientation and is interpreted to be spatially controlled, at least in part, by this regional-scale structure.

The most widespread igneous rocks in the immediate area of Tocantinzinho are the granites and quartzmonzonites of the Parauari Suite. Much of the gold mineralization encountered to date is hosted by coarse grained, pink to grey syenogranite to monzogranite, with distinctive amoeba shaped quartz grains.

This is known locally as salami and smoky granite.

The Tocantinzinho deposit is best classified as a granite-hosted, intrusion-related gold deposit. It is underlain by igneous rocks of the Parauari Suite which host known gold mineralization. Textural evidence and contact relationships suggest that the host granitic rocks at Tocantinzinho intruded as dyke-like bodies along a northwest-striking fault zone that cut through more regionally extensive quartz monzonites. The granitoids were likely emplaced synchronous with faulting, and both intrusive contact

and vein orientations suggest the host fault zone was active during this period as a sinistral, dominantly strike-slip feature. The presence of abundant aplites, miarolitic cavities, and blebby quartz textures implies that the host granitic intrusions represent late, volatile-rich components of the parent magma. Vein textures suggest that at least some of the veins, and possibly gold mineralization, were introduced during or just after solidification of the host rocks.

Mineralization

The Tocantinzinho deposit forms a sub-vertical, northwest trending elongate body approximately 1,000 metres long by 150 metres wide. It has been drilled to approximately 350 metres depth and remains open below this depth. Within the mineralized granite gold grades are remarkably consistent with an average of 1.1 grams per tonne.

Mineralized granites at Tocantinzinho are divided into two sub-units by alteration mineralogy and colour: smoky and salami granite. Grade distribution is similar in both units and therefore they have been grouped for resource estimation purposes. Both smoky and salami granites are composed dominantly of potassium-feldspar and large (mm- to cm-scale) distinctively amoebashaped quartz grains. Smoky mineralized granite is strongly silicified with chlorite and trace to 1% sulfides. Color ranges from grayish to greenish due to the chlorite alteration. Sheeted millimetrescale chlorite \pm sulphide veinlets are common. Salami mineralized granites are distinctively bright red due to hematite dusting on potassium feldspars. Sheeted veinlets are common and similar in scale to those in the smoky granites but are generally filled with quartz \pm sulphide. Contacts are diffuse between smoky and salami granites and a complete gradation exists between the two units.

Drilling

Drilling campaigns, all from surface, were carried out by Brazauro between 2004 and 2008, and Eldorado since 2008. As of December 31, 2011, a total of 49,000 meters in 175 core holes were drilled for exploration and resource in-fill purposes. Additional drilling for metallurgical information (1500 meters in 5 core holes) and geotechnical information (1460 meters in 6 core holes) was also conducted. In 2011, Eldorado completed 17,500 m in 58 diamond drill holes testing geochemical and geophysical targets peripheral to the Tocantinzinho deposit and along the local mineralized trend. The drilling did not intersect any zones of significant mineralization. All diamond drilling was done with wire line core rigs using NQ and HQ size coring.

Drill holes collars were located using a total station instrument. All drill holes were drilled at inclinations ranging from 47° to 83°, along 40° to 220° azimuths. Down-hole surveys deviation (azimuth and inclination) were taken approximately every 60 meters using the Reflex EZ Shot instrument.

Geology and geotechnical data were collected from the core and it was photographed before sampling.

Core recovery in the mineralized units was very good.

The core is stored in storage facilities near the site.

Sampling and Analysis

Sample intervals from 0.2 meters to 2.0 meters were selected by the geologist and marked in the core boxes. Individual samples were then cut using a diamond rock saw. One-half of the sawn core was

bagged and sent for sample preparation and analysis to SGS Geosol (Brazauro) and ALS Laboratory group facilities in Brazil.

After initial crushing, the sample was split to retain approximately one kilogram for pulverization. After pulverizing, the sample was split again to create 250 to 300 g pulps. A Standard Reference Material (SRM) sample, a duplicate sample and a blank sample were inserted into the sample stream at about every tenth sample. All samples were assayed for gold by 30 g charge fire assay with an atomic absorption finish.

Monitoring of these quality control and quality assurance samples showed all data were in control throughout the preparation and analytical processes.

Data verification

Monitoring of the quality control and quality assurance samples showed all data were in control throughout the preparation and analytical processes.

The database supporting the Tocantinzinho resource model was reviewed in detail. Checks were made to original data certificates with any discrepancies corrected prior to use in resource estimation.

In Eldorado's opinion, the resource database for the Tocantinzinho deposit is sufficiently free of error to be adequate for estimation of the respective mineral resources. These data are also, in Eldorado's opinion, accurate and precise enough for resource estimation.

Development

Based on the positive results of the Tocantinzinho Report, the Tocantinzinho project has been advanced to feasibility level studies. Field work to support this study is ongoing and completion of a feasibility study on the Tocantinzinho project is scheduled for the second quarter of 2012.

Our 2012 budget is \$5.9 million for exploration and \$34.8 million for development in 2012.

Jinfeng

A technical report on the Jinfeng gold mine (the "**Jinfeng Report**"), entitled "Technical Report of the Jinfeng Gold Mine, China", dated January 13, 2012 with an effective date of March 15, 2011, has been prepared for Eldorado in accordance with NI 43-101 by or under the supervision of Stephen Juras, Ph.D., P.Geo., Richard Miller, P.Eng., Norman Pitcher, P.Geo., and Paul Skayman, FAusIMM, each qualified persons within the meaning of NI 43-101. Messrs Juras, Miller, Pitcher and Skayman are each employed by Eldorado. A copy of the Jinfeng Report may be obtained through the SEDAR website at www.sedar.com.

Below is updated disclosure concerning the Jinfeng gold mine based on the Jinfeng Report. This disclosure supercedes the information concerning the Jinfeng gold mine contained in the Eldorado AIF.

| | |
|---|---|
| location | Guizhou Province, southwest China |
| ownership | Sino Guizhou Jinfeng Mining Limited (“ JFGL ”), a joint venture Eldorado 82%; Guizhou Lannigou Gold Mine Limited (“ Guizhou ”) (18%) |
| type of mine | open pit, underground |
| metal | gold |
| in situ gold (as of December 31, 2010) | proven and probable reserves: 1.9 million ounces, grade: 4.03 g/t measured and indicated resources: 2.6 million ounces, grade 3.55 g/t inferred resources: 1.0 million ounces, grade: 3.85 g/t (See pages 58 through 60 and page 62 of the Eldorado AIF for more information.) |
| average annual production | 115,000 – 175,000 ounces depending on future underground throughput |
| expected mine life | 13 years |
| employees | 1,264 (including 473 contractors) |

Licenses, permits and royalties

There are currently sufficient mining rights to support our mining operations.

| | |
|------------------|---|
| Mining | License no. 1000000510057, covers 1.2843 km ² , issued May 2005, expires May 2017. The license covers 750 metres above sea level to 250 metres below sea level. |
| Permits | Gold operating permit, issued December 25, 2006, expires December 25, 2016. |
| Royalties | Guizhou receives a royalty of 3% of the net sales revenue of the gold produced each year. A royalty is payable to Minsaco BIOX® Pty Limited, a wholly-owned subsidiary of Gold Fields Limited, based on a dollar amount per ounce of gold produced in connection with the use of Minsaco’s BIOX® Process. A tax deductible production tax is paid to the Ministry of Land and Resources of approximately \$12 per ounce of gold produced. |

About the Property

Jinfeng is in Guizhou Province in southern China, 180 kilometres southwest of Guiyang, the provincial capital, and 68 kilometres southeast of Zhenfeng County centre, in the Qianxinan Prefecture.

There are four administrative villages in the Jinfeng area: Bai Ni Tian, Shi Zhu, Tinshan and Niluo. Populations range from 500 to 1,200 people. The nearest large population centre is Lannigou village, which is approximately 1.6 kilometres from the mine and 1.9 kilometres from the flotation tailings storage facility.

The mine is connected to the provincial highways by an 84 kilometre sealed “Class 4” access road built and maintained by the provincial government.

Water is pumped to the plant from the Luofan River through a 3 kilometre pipeline.

Electrical power is supplied by a 42 kilometre long, 110kV electric power line from Zhenfeng, which is connected to the provincial electrical grid. A 22 kilometre feeder line from Ceheng was added on April 25, 2009 to double the power supply feed. The Jinfeng site also has two tailings storage facilities, waste storage and a metallurgical plant onsite.

Climate

Guizhou Province is in the subtropical monsoon zone, which has a humid climate with hot summers and mild winters. The mine is designed to operate all year, although seasonal heavy rainfall may interrupt open-pit mining for several days per year. The average annual rainfall is 1,200 mm, which falls primarily from May to August. The temperature ranges between 6°C and 30°C, with a yearly average of 19°C.

Operations

We are currently mining from both the open pit and the underground mine (where the material is too deep to be mined by open pit methods). In 2012, we plan to mine 353,000 tonnes of ore from the open pit and 523,000 tonnes from the underground mine. Any shortfall in mill throughput capacity will be made up from existing stockpiles.

We use a standard truck and shovel process for the open pit, blasting on 5 metre benches in the ore and on 10 metre benches for bulk waste. We have been digging ore and waste on 2.5 metre flitches since July 2010 to reduce mining dilution and ore loss, and to protect bench walls.

In the underground mine, we use a cut and fill method, with mining equipment designed for areas that can be as narrow as four metres wide. Mined areas are backfilled with crushed waste, tailings and cement.

The process plant is designed to optimise gold recovery and minimize the cost of production. The process includes primary crushing, SAG, ball milling, bulk flotation, thickening, BIOX® and neutralization, carbon-in-leach, AARL elution and tailings detoxification. Tailings from flotation and leaching are kept in separate storage facilities to prevent biocides from getting back into the process water circuit.

Jinfeng ore is refractory in nature, with most of the gold encapsulated in sulphide minerals, so the gold is not easily dissolved using a conventional carbon-in-leach circuit. The processing plant uses BIOX® technology, which destroys the sulphide minerals and exposes the gold before carbon-in-leach processing, and ensures recovery is economic. The process was selected as the most efficient oxidation and extraction method for this ore type. Roasting and pressure oxidation were also considered as alternative methods of treatment.

Plant capacity is 1.5 million tonnes of ore per year. Recovery for 2011 was 88%.

Life of Mine (2012 to end of mine life) Production and Cost Estimates

Jinfeng currently supplies the process plant with ore from both the underground and open pit. This will continue for the next 5 years (though 2016). During this period, estimated gold production will average between 130,000 – 145,000 ounces per year.

From 2017 onwards, if no further open pit ore is added through exploration, all mill feed will come from the underground. The ultimate underground production rates from underground will be determined based on the exploration and definition drilling programs which are now in progress. At a nominal underground production rate of 1 million tonnes per year, gold production is estimated to be between 125,000 – 140,000 ounces per year.

Production for 2011 was 177,757 ounces at \$442 per ounce. Capital cost expenditures in 2011 were approximately \$32 million. Most of this is due to mining costs including waste stripping from the open pit, underground development costs and underground equipment.

Environment

Jinfeng's environmental impact assessment report was completed in July 2004 and approved by Guizhou Province Environmental Protection Bureau in September of that year. Guizhou Province issued the final environmental project approval in December 2008. The environment impact assessment report identified a number of environmental risks and defined a number of measures to avoid or minimize potential environmental impacts.

An environment management system covering water management, air management, general monitoring and waste management was developed for the mine operation. Jinfeng discharges 2,078 cubic metres per day of tailings wastewater from the carbon-in-leach circuit to Luofan River, and is required to keep the level of Weak Acid Dissociable (WAD) Cyanide tailings wastewater from carbon-in-leach circuit below 0.5ppm.

Before preproduction, the local environment around Jinfeng was investigated. An environment monitoring plan was developed in the production phase to address the potential impacts of the mine operation on air quality, noise, surface water and groundwater. The local government approved a Rehabilitation Plan and a Mining Environment Comprehensive Treatment Report in 2009 (a regulatory requirement).

Jinfeng developed a surface remediation plan and began remediation in the construction phase, starting in 2006. As of the end of 2010, we had finished surface remediation of 50,000 m², and stockpiled approximately 700,000 m³ of topsoil for further remediation. We will be collecting some soil from the Longtan hydroelectric dam project near Luofan River in 2011 for use at Jinfeng. Jinfeng has also built a nursery for seedling cultivation of some local plants and uses these seedlings in site remediation.

Testwork has been completed on the Jinfeng tailings and they have been shown to be non-acid generating. The tailings do have a small residual sulphide content but it has been demonstrated that there are sufficient neutralizing materials in the ore that long term storage should not be a problem. Also, the CIL tailings are filtered in the process plant prior to placement by truck in the lined tailings dam. This reduces the amount of solution requiring management and allows for better placement and compaction of the used tailings. Monitoring wells have been established to monitor the groundwater chemistry under both the flotation and CIL tailings dams. To date, there are no indications of reduced pH due to material

being placed in the CIL dam generating acid. The small scale waste rock column tests have shown a propensity to leach arsenic. We have monitoring wells in place around the waste dump and have not noted elevated arsenic levels. We will continue to monitor the arsenic levels in the wells and if arsenic reaches an unacceptable level, remediation in the form of water treatment may be necessary.

Further testwork has also confirmed that the waste rock is also non-acid generating and therefore can be placed without specific plans that would be required for an acid generating waste product.

A preliminary closure plan, based on closure strategy, was prepared in 2007. This plan is updated and revised regularly during operation of the mine, culminating in the establishment of a final closure plan prior to decommissioning. Closure costs are being budgeted over the life of the operation. Currently, the life-of-mine allowance is expected to total \$36 million. Based on calculations completed this is expected to exceed the rehabilitation and closure costs by a factor of 20%. Therefore, the allowance is considered reasonable.

Exploration

The Jinfeng deposit was discovered by the Guizhou 117 Brigade in the early 1980s during follow-up of regional stream sediment surveys, which identified strongly anomalous gold and arsenic values in the deposit area. Systematic subsequent exploration work included geological mapping, surface trenching, diamond drilling, and excavation of a number of exploration adits.

After acquiring the project in 2001, Sino Gold completed detailed infill drilling of the deposit, and began reconnaissance exploration activities in the surrounding region. Current exploration activities are focused on extending the known underground resource down-dip and down-plunge through underground and surface drilling, as well as identifying additional resources in satellite bodies near the surface.

In 2011, Eldorado commenced a 22,000 metre underground exploration drilling program. Objectives of this program are to infill areas of low drillhole density within the F3 and F7 fault zones, to confirm a new structural model for the deposit, and to test new exploration targets that are based on this structural model. Results to date broadly support the revised structural model for grade distribution within the deposit.

Geology and Mineralization

Geological Setting

The regional geology to the Jinfeng deposit consists of Permian to Triassic sedimentary rocks of the Youjian Basin, which are concentrated along the western margin of the Proterozoic Yangtze craton. Lowest stratigraphic levels of the Youjian Basin consist of Cambrian to Carboniferous massive limestones, overlain by Permian shelf limestones. The Paleozoic carbonates are overlain by Lower Triassic platy limestones, in turn overlain by Middle Triassic alternating mud and sandstones with classic turbidite sequences above. Most of the gold deposits in the region are found in clastic rocks within the latter sequence, and are spatially associated with faults zones and broad antiformal culminations.

Stratigraphic units in the Jinfeng mine area can be divided into two distinct sequences: a lower dominantly carbonate bearing sequence and an upper mudstone and sandstone lithology dominant sequence. The upper stratigraphic sequence is well exposed in the Jinfeng open pit, and is host to the

gold mineralization at the deposit. The contact between upper and lower sequences is a regional unconformity, but near Jinfeng it is commonly faulted.

The Jinfeng deposit and surrounding area are characterized by complex fault and fold patterns that record a polyphase deformation history. These structural features represent principal controls on the geometry and distribution of ore zones within the deposit. Faults in the Jinfeng area include several major structures that can be traced over hundreds of meters to several kilometers in strike length. Mostly of the major faults strike either northeast or northwest and have moderate to subvertical dips. They vary from discrete fault surfaces to broader tectonized zones with widths of up to a few tens of metres.

Mineralization

Nearly all of the known gold resource occurs within or adjacent to major fault zones. Overall, the deposit occurs as a steeply-dipping tabular body, with a long axis plunging shallowly to moderately to the southeast. The deposit extends over 1,200 m along this long axis, with the steep intermediate axis defining a depth extent of over 1,000 m, and a thickness typically ranging from 10 m to 50 m.

High grade shoots within the deposit are spatially associated with intersections between the controlling fault zones and either secondary faults or lithologically favourable sandy beds in the upper stratigraphic sequence. Gold is commonly localized along east-west striking segments of either the main controlling faults or secondary structures. The ore shoots typically plunge moderately to the southeast, parallel to the overall deposit axis, to fold axes, and to fault intersections.

Gold mineralization is typically associated with highly carbonaceous, gouge material or cataclastic breccia. Quartz and sulphide (pyrite, arsenopyrite) veins are common, occurring as either steeply-dipping or shallowly-dipping sheeted sets preferentially within sandstone beds. Quartz rich veins contain trace amounts of dolomite, and become more carbonate rich distal to mineralization. Sulfides present in mineralized zones are pyrite, arsenopyrite, cinnabar, stibnite, orpiment, and realgar.

The Jinfeng deposit has many geological and geochemical characteristics in common with the renowned sediment-hosted deposits of the Carlin district in the Western United States, and is best classified as a Carlin-like gold deposit.

Drilling

Data supporting the Jinfeng mineral resource is drawn from HQ and NQ diameter diamond drill holes drilled from surface locations and underground headings.

After Sino Gold acquired the project in 2001, it drilled 322 drill holes over 152,500 metres in approximately a 50 by 50 metre grid over the deposit to delineate the resource and test additional targets on the property. The deepest drilling intercepted strong gold mineralization and intense alteration at more than 1,000 metres in depth. The next phase of drilling included 454 underground holes over 49,300 metres in approximately a 10 by 20 metre pattern. This was largely for preproduction purposes.

Since the start of 2010 and Eldorado's acquisition of the Jinfeng gold mine, 8,600 metres in 32 surface diamond drill holes and 50,000 metres in 260 underground diamond drill holes have been drilled at Jinfeng.

Drillers placed the core into labelled plastic core trays at the drill rig, and marked them before they were brought to the core shed facilities. Geological and geotechnical data were collected from the core and transferred to the project drill database. Core recovery in the mineralized zones was very good, averaging 93 to 95%

Sampling and Analysis

Exploration and delineation core are sampled on generally 1.0 m intervals. Exploration core is sawn in half with a rock saw with one half of the sample placed in a plastic bag and the other returned to the core tray. Delineation core is sampled whole.

The core samples are prepared and assayed at the Zhenfeng Rock and Mineral Testing Company laboratory situated in the town of Shaping, approximately 27 kilometres by road from the minesite. All samples are assayed for Au, As, Hg and Sb. Gold assaying follows widely practiced Chinese procedures. These comprise analysis by Flame Atomic Absorption Spectroscopy or Graphite Furnace Atomic Absorption Spectroscopy. A Hydride Generation Atomic Fluorescence Spectrometer (AFS) is used to analyze the samples for As, Hg and Sb.

Quality Control and Data Verification

The sample batches are arranged to contain regularly inserted control samples. Two Standard Reference Material (SRM) samples, two duplicate samples and a blank sample are inserted into the sample stream within a 35 to 40 sample batch. Eldorado Gold strictly monitors the performance of the QA samples as the assay results arrive at site.

Monitoring of the quality control samples showed all data were in control throughout the preparation and analytical processes. In Eldorado's opinion, the QA/QC results demonstrate that the Jinfeng deposit assay database, particularly for new data obtained from the start of 2010 to present, is sufficiently accurate and precise for resource estimation.

Also in 2010, checks to the entire drill hole database were undertaken. Checks were made to original assay certificates and survey data. Any discrepancies found were corrected and incorporated into the current resource database. Eldorado therefore concluded that the data supporting the Jinfeng gold mine resource work is sufficiently free of error to be adequate for estimation.

**Any questions and requests for assistance may be directed to European
Goldfields' Proxy Solicitation Agent:**



North American Toll Free Phone:

1- 800-243-9416

United Kingdom Toll Free Number: +44 (0) 808 -101-1697

Banks, Brokers and Outside North American collect calls: 201-806-2222

North American Toll Free Facsimile: 1-888-509-5907

Email: inquiries@phoenixadvisorypartners.com