

Report of Organizational Actions Affecting Basis of Securities

OMB No. 1545-0123

► See separate instructions.

Part I Reporting Issuer

| | | | |
|--|-----------------------------------|---|-----------------------------|
| 1 Issuer's name | | 2 Issuer's employer identification number (EIN) | |
| Eldorado Gold Corporation | | None | |
| 3 Name of contact for additional information | 4 Telephone No. of contact | 5 Email address of contact | |
| Karen Aram | +1 (604) 601-6656 | karen.aram@eldoradogold.com | |
| 6 Number and street (or P.O. box if mail is not delivered to street address) of contact | | 7 City, town, or post office, state, and ZIP code of contact | |
| Suite 1188 - 550 Burrard Street, Bentall 5 | | Vancouver, BC V6C 2B5 | |
| 8 Date of action | | 9 Classification and description | |
| April 7, 2021 | | Common Shares | |
| 10 CUSIP number | 11 Serial number(s) | 12 Ticker symbol | 13 Account number(s) |
| 284902 | N/A | TSX: ELD; NYSE: EGO | N/A |

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ► On April 7, 2021, Eldorado Gold Corporation ("Buyer") purchased all of the issued and outstanding common shares of QMX Gold Corporation ("QMX") (the "Acquisition"). Specifically, QMX common shareholders received U.S.\$0.059 (as converted to U.S. dollars using the daily exchange rate published by the Bank of Canada on April 7, 2021) and 0.01523 Buyer common shares for each QMX common share exchanged therefor pursuant to the Acquisition. Immediately thereafter, QMX became a wholly-owned subsidiary of Buyer.

The terms of the Acquisition are set forth in the Management Information Circular of QMX (the "Circular") dated February 9, 2021. Former QMX shareholders should review the "Certain United States Federal Income Tax Considerations" section of the Circular attached hereto as Exhibit A.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ► See Exhibit A. Former QMX shareholders should review the Circular and consult with their own tax advisors regarding the U.S. federal income tax consequences of the Acquisition.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ► For purposes of calculating fair market value, the fair market value of a Buyer common share on April 7, 2021 is estimated at U.S.\$11.17, which was the closing price for a Buyer common share on the NYSE on April 7, 2021.

Former shareholders of QMX should consult their own tax advisors to determine whether they are required to recognize gain and what measure of fair market value is appropriate.

Part II **Organizational Action** (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ► The Acquisition constitutes a taxable transaction for U.S. federal income tax purposes. Consequently, the U.S. federal income tax consequences of the Acquisition to former QMX shareholders should be determined under Code Sections 1001, 1012, 1211, and 1221.

If QMX was a passive foreign investment company ("PFIC") at any time during the period that a holder held QMX shares, then the PFIC rules under Code Sections 1291-1298 would be applicable. Shareholders should consult with their own tax advisors regarding the potential application of the PFIC rules.

18 Can any resulting loss be recognized? ► A former QMX shareholder may recognize loss pursuant to the Acquisition to the extent such former QMX shareholder's tax basis in the QMX shares surrendered exceeds the fair market value of the consideration received in exchange therefor.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ► In general, income recognized should be reported by holders for the taxable year which includes April 7, 2021 (e.g., a calendar-year shareholder would report the transaction on his or her federal income tax return filed for the 2021 calendar year).

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ► /s/ Philip YeeDate ► May 14, 2021Print your name ► Philip YeeTitle ► EVP & CFO**Paid Preparer Use Only**

| | | | | |
|--|--|-------------------------|---|--------------------------|
| Print/Type preparer's name <u>John Hollinrake</u> | Preparer's signature <u>/s/ John Hollinrake</u> | Date <u>05/14/21</u> | Check <input type="checkbox"/> if self-employed | PTIN <u>P01568530</u> |
| Firm's name ► <u>Dorsey & Whitney LLP</u> | | | Firm's EIN ► <u>41-0223337</u> | |
| Firm's address ► <u>Columbia Center, 701 Fifth Avenue, Suite 6100, Seattle, WA 98104</u> | | | Phone no. <u>(206) 903-8812</u> | |

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054

EXHIBIT A
ELDORADO GOLD CORPORATION IRS FORM 8937

CERTAIN UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

The following summarizes certain U.S. federal income tax considerations under the Internal Revenue Code of 1986, as amended (the “**U.S. Tax Code**”) generally applicable to certain U.S. Holders (as defined below) in respect of the Arrangement and the acquisition, holding, and disposition of Eldorado Shares received pursuant to the Arrangement. This discussion is based upon the provisions of the U.S. Tax Code, existing final and temporary regulations promulgated thereunder (the “**Treasury Regulations**”), and current administrative rulings and court decisions, all of which are subject to change, possibly with retroactive effect. Changes in these authorities may cause the U.S. federal income tax consequences to vary substantially from those described below. This summary does not address the U.S. federal alternative minimum, U.S. federal estate and gift, U.S. state or local, U.S. federal net investment income or non-U.S. tax consequences to U.S. Holders of the Arrangement or the ownership and disposition of Eldorado Shares received pursuant to the Arrangement. This summary does not discuss the U.S. tax consequences of the Arrangement to holders with respect to their QMX Options and QMX Warrants. Except as specifically set forth below, this summary does not discuss applicable tax filing and reporting requirements.

Neither QMX nor Eldorado has requested nor will they request a ruling from the Internal Revenue Service (“**IRS**”) or opinion from legal counsel with respect to any of the U.S. federal income tax consequences described below. The IRS may disagree with and challenge any of the conclusions reached herein.

This discussion applies only to U.S. Holders that own QMX Shares and will own Eldorado Shares as “capital assets” within the meaning of Section 1221 of the U.S. Tax Code (generally, property held for investment), and does not comment on all aspects of U.S. federal income taxation that may be important to certain U.S. Holders in light of their particular circumstances, such as U.S. Holders subject to special tax rules (including, but not limited to, banks and other financial institutions, brokers, dealers or traders in securities or commodities, insurance companies, regulated investment companies, real estate investment trusts, traders that elect to mark-to-market their securities, certain expatriates or former long-term residents of the United States, personal holding companies, “S” corporations, partnerships or other flow-through entities, U.S. expatriates, tax-exempt organizations, tax-qualified retirement plans, persons that own directly, indirectly, or constructively 5% or more, by voting power or value, of QMX stock or will own 10% or more, by voting power or value, of Eldorado stock, persons who are subject to alternative minimum tax, persons who hold Shares as a position in a “straddle” or as part of a “hedging,” “conversion” or “integrated” transaction, persons that have a functional currency other than the U.S. dollar, persons subject to special tax accounting rules, persons subject to taxing jurisdictions other than, or in addition to, the United States, or persons who acquired QMX Shares through the exercise of employee stock options or otherwise as compensation for services). U.S. Holders that are subject to special provisions under the U.S. Tax Code, including holders described immediately above, are urged to consult their own tax advisors regarding the U.S. and non-U.S. tax consequences relating to the Arrangement and the ownership and disposition of Eldorado Shares received pursuant to the Arrangement.

If a partnership (including any entity treated as a partnership for U.S. federal income tax purposes) is a U.S. Holder, the tax treatment of a partner in the partnership generally will depend upon the status of the partner and the activities of the partnership. Partnerships or partners in a partnership holding QMX Shares are urged to consult their own tax advisors regarding the tax consequences of the Arrangement.

U.S. Holders are urged to also review the separate discussion concerning Canadian federal income tax consequences. See “*Principal Canadian Federal Income Tax Considerations*” above.

THIS SUMMARY IS FOR GENERAL INFORMATION ONLY AND IS NOT INTENDED TO CONSTITUTE A COMPLETE DESCRIPTION OF ALL UNITED STATES TAX CONSEQUENCES RELATING TO THE ARRANGEMENT AND HOLDING AND DISPOSING OF ELDORADO SHARES

RECEIVED PURSUANT TO THE ARRANGEMENT. SHAREHOLDERS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS REGARDING THE TAX CONSEQUENCES TO THEM (INCLUDING THE APPLICATION AND EFFECT OF ANY STATE, LOCAL AND NON-U.S. INCOME AND OTHER TAX LAWS) OF THE ARRANGEMENT.

For purposes of this summary, a “**U.S. Holder**” is a beneficial owner of QMX Shares that is: (i) a U.S. citizen or U.S. resident alien as determined for U.S. federal income tax purposes, (ii) a corporation, or other entity taxable as a corporation for U.S. federal income tax purposes, that was created or organized under the laws of the United States, any State thereof or the District of Columbia, (iii) an estate whose income is subject to U.S. federal income taxation regardless of its source, or (iv) a trust that either is subject to the supervision of a court within the United States and has one or more U.S. persons with authority to control all of its substantial decisions or has a valid election in effect under applicable Treasury Regulations to be treated as a U.S. person.

Treatment of the Arrangement

U.S. Holders will realize gain or loss on the exchange of QMX Shares for cash and Eldorado Shares in an amount equal to the difference, if any, between (i) the U.S. dollar amount of the Canadian dollars and fair market value of the Eldorado Shares (determined as of the Effective Date) received and (ii) the U.S. Holder's adjusted tax basis in the QMX Shares exchanged therefor. Subject to the passive foreign investment company (“**PFIC**”) rules discussed below, such gain or loss should be capital gain or loss and treated as long-term capital gain or loss if the U.S. Holder held the QMX Shares for more than one year. Long-term capital gains recognized by U.S. Holders that are not corporations generally are eligible for reduced rates of U.S. federal income taxation. The deductibility of capital losses is subject to limitations under the U.S. Tax Code.

U.S. Federal Income Tax Consequences to U.S. Holders Related to the Ownership and Disposition of Eldorado Shares

The following discussion is subject in its entirety to the rules described below under the heading “Passive Foreign Investment Company Rules”.

A U.S. Holder's initial aggregate tax basis in the Eldorado Shares received pursuant to the Arrangement will be equal to the fair market value of such shares (determined as of the Effective Date), and the U.S. Holder's holding period in the Eldorado Shares received should begin on the day after the Effective Date.

Distributions on Eldorado Shares

A U.S. Holder that receives a distribution, including a constructive distribution, with respect to a Eldorado Share will be required to include the amount of such distribution in gross income as a dividend (without reduction for any foreign income tax withheld from such distribution) to the extent of the current or accumulated “earnings and profits” of Eldorado, as computed for U.S. federal income tax purposes. To the extent that a distribution exceeds the current and accumulated “earnings and profits” of Eldorado, such distribution will be treated first as a tax-free return of capital to the extent of a U.S. Holder’s tax basis in the Eldorado Shares and thereafter as gain from the sale or exchange of such Eldorado Shares (see “Sale or Other Taxable Disposition of Eldorado Shares” below). However, Eldorado may not maintain the calculations of its earnings and profits in accordance with U.S. federal income tax principles, and each U.S. Holder may have to assume that any distribution by Eldorado with respect to the Eldorado Shares will constitute dividend income. Dividends received on Eldorado Shares by corporate U.S. Holders generally will not be eligible for the “dividends received deduction”. Subject to applicable limitations and provided Eldorado is eligible for the benefits of the U.S. Treaty or the Eldorado Shares are readily tradable on a U.S. securities market, dividends paid by Eldorado to non-corporate U.S. Holders, including individuals, generally will be eligible for the preferential tax rates applicable to long-term capital gains for dividends, provided certain holding period and other conditions are satisfied, including that Eldorado not be classified as a PFIC in the tax year of distribution or in the preceding tax year. The dividend rules are complex, and each U.S. Holder is urged to consult its own tax advisor regarding the application of such rules.

Sale or Other Taxable Disposition of Eldorado Shares

A U.S. Holder will generally recognize gain or loss on the sale or other taxable disposition of Eldorado Shares in an amount equal to the difference, if any, between (a) the amount of cash plus the fair market value of any property received and (b) such U.S. Holder's tax basis in such Eldorado Shares sold or otherwise disposed of, which will generally be the cost of such Eldorado Shares. Any such gain or loss generally will be capital gain or loss, which will be long-term capital gain or loss if, at the time of the sale or other disposition, such Eldorado Shares are held for more than one year. Preferential tax rates apply to long-term capital gains of a U.S. Holder that is an individual, estate, or trust. There are currently no preferential tax rates for long-term capital gains of a U.S. Holder that is a corporation. Deductions for capital losses are subject to significant limitations under the U.S. Tax Code.

Passive Foreign Investment Company Rules

In General

A foreign corporation is a PFIC for U.S. federal income tax purposes if either (A) at least 75% of its gross income in a taxable year, including its pro rata share of the gross income of any corporation in which it is considered to own at least 25% of the shares by value, is passive income, or (B) at least 50% of its assets in a taxable year, ordinarily determined based on fair market value and averaged quarterly over the year, including its pro rata share of the assets of any corporation in which it is considered to own at least 25% of the shares by value, are held for the production of or produce passive income. Passive income generally includes dividends, interest, rents and royalties, and gains from the disposition of passive assets.

QMX believes that it is was a PFIC in certain prior tax years and based on current business plans and financial expectations, QMX expects that it may be a PFIC for its current tax year. Based on current business plans and financial expectations, Eldorado expects that it should not be a PFIC for its current tax year and the foreseeable future. No opinion of legal counsel or ruling from the IRS concerning the status of QMX or Eldorado as a PFIC has been obtained or is currently planned to be requested. The determination of whether any corporation was, is or will be, a PFIC for a tax year depends, in part, on the application of complex U.S. federal income tax rules, which are subject to differing interpretations. In addition, whether any corporation will be a PFIC for any tax year depends on the assets and income of such corporation over the entire course of each such tax year and, as a result, often cannot be predicted with certainty for the current tax year or for any future tax year as of the date of this document. Accordingly, there can be no assurance that QMX is not or has not been, nor that Eldorado is not, has not been and will not become, a PFIC. Nor can there be any assurance that the IRS will not challenge any determination either corporation might make concerning its PFIC status. If any corporation is a PFIC for any year during which a U.S. Holder holds its shares, such holder will be subject to the rules described below under "*Consequences of PFIC Status.*"

Each U.S. Holder should consult its own tax advisors regarding PFIC status.

Consequences of PFIC Status

If either QMX or Eldorado is classified as a PFIC for any tax year that is included in a U.S. Holder's holding period, and the U.S. Holder does not timely make either a QEF election or does not or is not eligible to make a mark-to-market election, each as defined below, the U.S. Holder generally will be subject to the following "PFIC Rules" with respect to the applicable corporation's shares:

- Each distribution to the U.S. Holder will be deemed to be an "excess distribution" to the extent of its pro rata share of any excess of the aggregate of all distributions made to the U.S. Holder in the U.S. Holder's current taxable year over 125% of the three-year moving average of such aggregates;
- Gain recognized by a U.S. Holder on a sale or other disposition of shares, including the disposition of the QMX Shares pursuant to the Arrangement, will also be deemed to be an excess distribution;
- Each excess distribution will be allocated pro rata to each day in the U.S. Holder's holding period, up to the date of the distribution;

- The amounts allocated to the U.S. Holder's current taxable year, and the amounts allocated to the period in the U.S. Holder's holding period which pre-dates such corporation's status as a PFIC, if there is such a period, will be taxed as ordinary income (not long-term capital gain);
- The amounts allocated to any other taxable year or part of a year will be taxed at the highest tax rate in effect for that year and applicable to the U.S. Holder; and
- The tax liabilities that arise from the amounts allocated to each such other taxable year will accrue retroactive interest as unpaid taxes. U.S. Holders that are not corporations must treat any such interest paid as "personal interest," which is not deductible.

A U.S. Holder that holds shares in a year in which the relevant corporation is a PFIC will continue to be treated as owning shares of a PFIC in later years even if such corporation is no longer a PFIC in those later years.

QEF Election

If a corporation is a PFIC, a U.S. Holder may avoid the PFIC Rules with respect to such corporation's shares by making a timely QEF election during the first taxable year in which such corporation is a PFIC and in which the U.S. Holder holds or is deemed to hold such shares. If a U.S. Holder makes a QEF election, it will become subject to the following "QEF Allocation Rules":

- The U.S. Holder will include in its income in each of its taxable years in which or with which a taxable year of the corporation ends, its pro rata share of such corporation's net capital gain (as long-term capital gain) and any other earnings and profits (as ordinary income), regardless of whether such corporation distributes such gain or earnings and profits to the U.S. Holder;
- The U.S. Holder's tax basis in its shares will be increased by the amount of such income inclusions;
- Distributions of previously included earnings and profits will not be taxable in the U.S. to the U.S. Holder;
- The U.S. Holder's tax basis in its shares will be decreased by the amount of such distributions; and
- Any gain recognized by the U.S. Holder on a sale, redemption or other taxable disposition of its shares will be taxable as capital gain and no interest charge will be imposed.

A U.S. Holder that makes a QEF election may make an additional election to defer payment of its liability for tax on included but undistributed income, but such deferred payments are subject to an interest charge.

A QEF election is made on a shareholder-by-shareholder basis and may be revoked only with the consent of the IRS. A U.S. Holder generally makes a QEF election by attaching a completed IRS Form 8621 (Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund), including the information provided in a PFIC annual information statement, to a timely filed U.S. federal income tax return for the tax year of the U.S. Holder to which the election relates. Retroactive QEF elections generally may be made only by filing a protective statement with such return and if certain other conditions are met or with the consent of the IRS. U.S. Holders are urged to consult their own tax advisors regarding the availability and tax consequences of a retroactive QEF election under their particular circumstances.

To comply with the requirements of a QEF election, a U.S. Holder must receive a PFIC annual information statement from the corporation. No assurance can be given that QMX or Eldorado would endeavor to provide each U.S. Holder such information as the IRS may require, including a PFIC annual information statement, to enable the U.S. Holder to make and maintain a QEF election. Moreover, there is no assurance that QMX or Eldorado will have timely knowledge of its status as a PFIC in the future or of the information that would be required to be provided with respect to a QEF election. Accordingly, a U.S. Holder may not be able to make a QEF election with respect to QMX or Eldorado.

A U.S. Holder that makes a timely and effective QEF election in the first taxable year in which the corporation is a PFIC and in which the U.S. Holder holds or is deemed to hold its shares will avoid the PFIC Rules and will not be subject to the QEF Allocation Rules in any taxable year of the corporation that ends within or with a taxable year of the U.S. Holder and in which such corporation is not a PFIC. However, if the U.S. Holder's QEF election is not effective for each of the corporation's taxable years in which it is a PFIC and in which the U.S. Holder holds or is deemed to hold such corporation's shares, the PFIC Rules will apply to the U.S. Holder until the U.S. Holder makes a purging election. If a U.S. Holder makes a purging election the following occurs: (1) the U.S. Holder is deemed to sell its shares at their fair market value; (2) the gain recognized by the U.S. Holder in the deemed sale is taxed under the PFIC Rules; (3) the U.S. Holder obtains a new basis and holding period in its shares for PFIC purposes; and (4) the U.S. Holder becomes eligible to make a QEF election.

Mark-to-Market Election

If a PFIC's shares are regularly traded on a registered national securities exchange or certain other exchanges or markets, they may constitute "marketable stock" for purposes of the PFIC rules. In such case, a U.S. Holder would not be subject to the foregoing PFIC Rules if such U.S. Holder made a mark-to-market election with respect to such PFIC's shares. U.S. Holders should consult their own tax advisors regarding the rules for making a Mark-to-Market Election.

Subsidiary PFICs

A PFIC may own interests in other entities that are classified as PFICs. In such event, a U.S. Holder will be deemed to own a portion of the parent corporation's shares in such subsidiary PFIC and could incur liability under the PFIC Rules if the parent corporation receives a distribution from (including a sale of its shares in) a subsidiary PFIC, or if the U.S. Holder is otherwise deemed to have disposed of an interest in a subsidiary PFIC. If a U.S. Holder makes a QEF election with respect to a subsidiary PFIC, tracking the tax bases of the U.S. Holder's interests in the tiered PFIC structure will become extremely complicated. There is no assurance that Eldorado will have timely knowledge of the PFIC status of any subsidiary. In addition, Eldorado may not hold a controlling interest in any such subsidiary PFIC and thus there can be no assurance it will be able to cause the subsidiary PFIC to provide the required information. U.S. Holders are urged to consult their own tax advisors regarding the tax issues surrounding subsidiary PFICs.

PFIC Reporting Requirements

A U.S. Holder that owns or is deemed to own PFIC shares in any taxable year of the U.S. Holder may have to file an IRS Form 8621, Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund, (whether or not a QEF or market-to-market election is made) and provide such other information as may be required by the U.S. Treasury Department. Failure to file a required form or provide required information will extend the statute of limitations on assessment of a deficiency until the required form or information is furnished to the IRS.

The rules for PFICs, QEF elections, mark-to-market elections and other elections are complex and affected by various factors in addition to those described above. U.S. Holders are urged to consult their own tax advisors regarding the application of the rules to their particular circumstances.

Foreign Tax Credits and Limitations

Subject to the PFIC rules discussed above, a U.S. Holder that pays, through withholding, Canadian tax, with respect to any dividends or in connection with a sale, redemption or other taxable disposition of shares may generally elect for any taxable year to receive either a credit or a deduction for all foreign income taxes paid by such holder during the year. The foreign tax credits rules are complex and involve the application of rules that depend on a U.S. Holder's particular circumstances. Each U.S. Holder should consult its own tax advisor regarding applicable foreign tax credit rules.