

# **FINAL TRANSCRIPT**

**Eldorado Gold Corporation**

**First Quarter Financial and Operational Results**

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May 1, 2015 – 11:30 a.m. E.T.  
Eldorado Gold Corporation First Quarter Financial and Operational Results

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## **PRESENTATION**

### **Operator**

Good morning. My name is Sharon and I will be your conference Operator today. At this time, I would like to welcome everyone to the Eldorado Gold First Quarter 2015 Financial and Operating Results Conference Call. All lines have been placed on mute to prevent any background noise. After the speakers' remarks there will be a question-and-answer session. If you would like to ask a question, simply press star, then the number one on your telephone keypad. If you would like to withdraw your question, press the pound key.

I will now turn the call over to Paul Wright, CEO of Eldorado Gold. Mr. Wright, you may now begin your conference.

### **Paul N. Wright** – Chief Executive Officer, Eldorado Gold Corporation

Thank you, Operator, and good morning and thank you all for joining us this morning. Welcome to our first quarter financial and operating results call. In Vancouver this morning, we have Norm Pitcher, President; Fabiana Chubbs, Chief Financial Officer; Paul Skayman, Chief Operating Officer, and Krista Muhr, our Vice President of Investor Relations.

As always, we have provided detailed financial and operational information in yesterday's press release. Before I begin, I need to remind you that any projections and objectives included in our

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discussion today are likely to involve risks which are detailed in our 2015 AIF and the forward-looking statement disclaimer at the end of yesterday's new release.

We will follow the usual format with myself providing some general comments on the Company's business and our results and release; Norm will then provide operational detail followed by a brief walk through the financial statements led by Fabi, and then we'll open up for questions.

First of all, I would like to thank all of our staff for their tremendous effort and ongoing effort that has delivered these excellent operational results for the start of 2015. With gold production of 189,414 ounces and all-in sustaining costs of \$729 an ounce, this performance provides solid support for the Company's operational guidance for 2015.

Despite ongoing capital spend on growth projects, our balance sheet remains very strong with total liquidity of \$869 million.

Before handing over to Norm who will provide the detail on our operations and development projects, I would like to share some of our thoughts as it relates to our business in Greece.

As you are aware, our Greek subsidiary Hellas Gold at the end of February received a formal notice from the Ministry of Energy revoking the approval required to complete the final construction of the processing plant at Skouries. We continue to believe that the decision of the Ministry has no legal

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basis and have taken appropriate legal action to protect the rights of the Company, our employees and all stakeholders.

I'd like to remind all of the integrity of the EIA, the main permit supporting our projects in Halkidiki as being confirmed now by three separate rulings by the Council of State which is Greece's Supreme Court on administrative environmental matters.

Now, the origins of the attitudes and the actions taken by the Ministry relate to significant misinformation on our investment that was propagated prior to the government coming to power. The Company, our unions and a local society will provide overwhelming support for the investment, are actively engaged at multiple levels within the government in what I refer to as an ongoing education process. Through the efforts of the legal framework, we believe that the Greek government will in time and due course appreciate the merits of this investment and investment will continue in the manner described.

With that, I'll hand it over to Norm.

**Norm S. Pitcher** – President, Eldorado Gold Corporation

Thanks, Paul. Good morning everyone. As Paul mentioned, it was a good quarter operationally for us. I don't really have a lot of comments on the operations but I'll just run through them, do them quickly, starting with Kisladag. We produced just over 79,000 ounces at cash costs of \$522 per ounce.

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During the quarter, we mined about 4.5 million tonnes of ore of which about 1 million tonnes was sent directly to the leach pad as uncrushed run-of-mine. Strip ratio for the quarter was 1.7:1, a little bit lower than budgeted.

Over at Efemcukuru, we produced just over 21,000 ounces at \$604 per ounce. Very wet weather during the quarter slowed us down a little bit at Efemcukuru as it hampered dry stack tailings placement and impacted site water management. Grade results were a little bit lower than planned due to changes in the short-term mine plan, however we've had a good month in April and are mostly caught up production-wise going into May.

In China, great start to the year at all three mines; all of them producing more ounces at less cost than budgeted with really no operating issues there. At Jinfeng we were 36,686 ounces at about \$600 per ounce. White Mountain was almost 21,000 ounces at \$600 per ounce, and Tanjianshan was 26,626 at \$407 per ounce.

That's it for the gold mining operations. At the Olympias tailings retreatment, we milled 157,000 tonnes at 2.2 grams per tonne, and produced just over 4,700 ounces of gold. At Stratoni, we produced 12,478 tonnes of concentrate at cash costs of \$738 per tonne sold.

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Vila Nova was placed on care and maintenance in Q4 2014; a small amount of ore was processed during the plant shutdown. We did have one shipment of about 48,000 tonnes of iron ore sold during the quarter.

On development projects, at Skouries, despite the wet weather there which is essentially the same weather we were seeing across the water in Efemcukuru, we continued to progress the project. Open pit stripping using a contractor continued during the quarter and we expect to have the overburden and top soil removal completed during Q2. In the plant site, we worked on piling and earthworks as well as concrete foundations in the flotation area.

At Olympias, we restarted the main deep line during the quarter by using cover grouting to control water inflows. We also continued on both underground rehab and new development in the Olympias mine. Engineering on the phase two plant at Olympias was advanced during the quarter including procurement of long lead time items and development of basic engineering designs.

Over in China at Eastern Dragon, the project permit approval has been submitted to NDRC in Beijing and we anticipate approval of that application in May. Where we currently stand, we're probably about a month behind in the permitting process right now, so the timing of the post-PPA supplementary permits is critical to what we can get done during the field season this year. Just a little more on sort of permitting in China right now, what we're seeing is any particular permit goes to an agency, for example NDRC, and what they look for is consensus among other ministries. So, they will reach out to Ministry of

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Commerce or Ministry of Land and Resources just to make sure that everyone's in agreement, and we're seeing this I think as part of the focus on corruption in China. So, they just want to get a broad consensus. It doesn't really change—it doesn't change the ultimate outcome; it just sort of slows the process down a little bit.

At Certej, we are still looking at the feasibility this quarter.

On the exploration side, generally Q1 is a relatively quiet quarter for exploration, however we did manage to drill just over 8,700 metres of drilling, most of which came from underground drilling at White Mountain. Then at Tanjianshan, development of the QLT North Decline proceeded on schedule during the quarter, and underground drilling there began in April.

With that, I'll turn it over to Fabi.

**Fabiana E. Chubbs** – Chief Financial Officer, Eldorado Gold Corporation

Thank you, Norm. Good morning everyone. Our results of the financial statements highlighted changes in significant accounts.

Commencing with the balance sheet, we ended the quarter with cash, cash equivalents and term deposit balance of \$494 million compared to \$501 million at the end of 2014. The change in cash balance is mainly the result of cash generation from operations net of usage of cash for dividend payments and our capital program.

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Weak iron ore prices continued during the quarter, resulting in a non-cash write-down of \$6 million of iron ore inventory costs.

The increase of \$11 million in the deferred income tax liability balance relates mainly to the impact of Turkish lira exchange rate changes on the tax basis of our Turkish assets.

Moving on to the income statement, we reported a loss attributable to shareholders of the Company of \$8.2 million or \$0.01 per share for the quarter compared to a profit of \$31 million or \$0.04 per share in the first quarter of 2014.

Adjusted net earnings for the quarter were \$19.5 million or \$0.03 per share compared to \$37 million or \$0.05 per share in the first quarter of 2014. The difference in adjusted profit year-over-year was mainly due to foreign exchange losses on monetary accounts of our Canadian, Brazilian and Turkish subsidiaries, and lower gross profit from gold mining operations during the quarter.

We reported revenues for the quarter of \$238 million compared to \$280 million a year ago. Revenues were impacted by lower iron ore sales, \$17 million; a 5 percent fall in realized gold prices and a 5 percent fall in the ounces sold.

The higher effective income tax rate resulted from non-cash items including the impact of a weaker Turkish lira on the deferred tax balances, as well as an increase in the percentage of unrecognized tax losses due to lower profits in the quarter.

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On the statement of cash flow, during the quarter, we generated cash flows from operating activities before changes in non-working capital of \$59 million compared to \$95 million in the first quarter of 2014. The main uses of cash relate to our capital program, \$75 million, and dividend payment of \$6 million.

Those are my comments on the financial statements. I will return the call back to Paul.

**Paul N. Wright** – Chief Executive Officer, Eldorado Gold Corporation

Thank you, Fabi. Thanks, Norm. Operator, we'll open up for questions at this point.

## **Q & A**

### **Operator**

At this time, I would like to remind everyone, in order to ask a question, please press star, then the number one on your telephone keypad. We'll pause for just a moment to compile the Q&A roster.

Your first question comes from John Bridges from JPMorgan. Please go ahead.

**John Bridges** – Analyst, JPMorgan

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Hi. Thanks Paul, everybody. Congratulations on the result. There was a story on Mine Web earlier this week talking about an overturning of a 2013 decision. I just wondered how meaningful that was and if you could give us some background.

**Paul N. Wright** – Chief Executive Officer, Eldorado Gold Corporation

Yeah, look it relates to legislation that existed at the time under which we were appealing a delay in approval of various permits. It's been superseded by new legislation, John, so the significance is somewhat muted. However, I guess I would say broadly speaking it tends to lend in credence to the argument that I obviously made earlier that we have the support historically of all of the decisions that have been made for the project itself. So, this is just yet again another decision by the Council of State supporting the validity of our investment in the country, so it augurs well for future decisions I would suggest.

**John Bridges** – Analyst, JPMorgan

Okay. Then I'm just wondering, obviously Greece is a sovereign country and makes its own decisions, but to what extent is there an interplay between Greece rules and those of the European market?

**Paul N. Wright** – Chief Executive Officer, Eldorado Gold Corporation

As it relates to? Sorry.

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**John Bridges** – Analyst, JPMorgan

Would the euro community have an interest in these decisions?

**Paul N. Wright** – Chief Executive Officer, Eldorado Gold Corporation

One would suggest so because through the development of employment and taxes the economic benefits accrue to the State of Greece, which ultimately is what the country needs to diminish its need for funds from the EUs and others. So this is—yes. I mean major investment is indeed relevant and I think it's safe to assume that our engagement includes the Europeans.

**John Bridges** – Analyst, JPMorgan

Okay. Then just on the operations, you granted the Olympias ramp. How is the advance going? That was slowed by the waters; is it improved now?

**Norm S. Pitcher** – President, Eldorado Gold Corporation

Yes. The grouting is working. Clearly it's not as fast as if you weren't having to do that, but we do. We can get sort of 30 metres ahead on the grouting curtain and then once we've drilled those holes then you're developing within that.

**Paul N. Wright** – Chief Executive Officer, Eldorado Gold Corporation

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I think we have a system now, John, that works. It's a matter of working to refine, to get the productivity within that system as good as it can be. But, I mean, certainly for the time being we are going to have to continue to operate under grout cover, but it's a matter of continuing month by month to perfect the efficiency of the elements of the cycle, I guess is the best way of putting in.

**John Bridges** – Analyst, JPMorgan

What sort of an advance rate are you working on at the moment?

**Paul N. Wright** – Chief Executive Officer, Eldorado Gold Corporation

Projected advance rates?

**John Bridges** – Analyst, JPMorgan

Yes.

**Paul N. Wright** – Chief Executive Officer, Eldorado Gold Corporation

Seventy to 80 metres per month.

**John Bridges** – Analyst, JPMorgan

Okay. Great. Thanks a lot. I will get out of the way. Thanks a lot. Well done, guys.

**Paul N. Wright** – Chief Executive Officer, Eldorado Gold Corporation

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Thanks, John.

**Operator**

Your next question comes from Kevin Chiew from CIBC. Please go ahead.

**Kevin Chiew – Analyst, CIBC**

Hi. Good morning, Paul and team, and congrats on a good quarter. Had a few questions, maybe we can start with Kisladag. You talked about the benefit of the higher grade placement of pad at the end of 2014. Just wondering, do you expect that to have any sort of trickle effect going forward?

**Paul Skayman – Chief Operating Officer, Eldorado Gold Corporation**

The inventory has been chewed down fairly strongly there, so I wouldn't expect it to have as much effect as we carry on. We should be fairly clean now in terms of gold on and gold off, I think.

**Kevin Chiew – Analyst, CIBC**

The grade should kind of stay consistent at that 0.7 gram per tonne?

**Paul Skayman – Chief Operating Officer, Eldorado Gold Corporation**

Yes.

**Norm S. Pitcher – President, Eldorado Gold Corporation**

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Yes.

**Kevin Chiew** – Analyst, CIBC

Okay. Maybe a question on the CAPEX. It's well understood that the first quarter tends to see the lower capital spend. Maybe for the Greek assets, in particular, could you maybe comment on if you're still on track or expect to spend the \$200 million and the \$110 million that was budgeted earlier in the year?

**Paul N. Wright** – Chief Executive Officer, Eldorado Gold Corporation

Look, I think the impact of weather on Skouries has sort of slowed down progress. You know, certainly the outstanding issues we have as it relates to permits, depending on how long it takes to resolve this, could impact both progress as well as spend. So, there is certainly some potential for slippage in terms of the spend rate and the schedule in Skouries. The Olympias, however, is unaffected and I think at this point were going full speed ahead.

**Norm S. Pitcher** – President, Eldorado Gold Corporation

Yes. The weather too, I mean first quarter was, as I said a couple of times, was pretty darn wet. So, our ability to do earthworks was limited and now we are getting into the better weather and they can start ramping up on that.

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**Kevin Chiew** – Analyst, CIBC

Okay. Maybe lastly, if I could ask about the Eastern Dragon. In terms of the PPA, is that the key bottleneck? Or, maybe if I ask it in another way: are any of the supplemental permits challenging to get approval for?

**Norm S. Pitcher** – President, Eldorado Gold Corporation

They are not nearly as big as the PPA, because the PPA is what sort of makes it an official project approved by NDRC, so that's by far the big one. After that we've got the EL, the exploration license gets turned into an ML. That's done by Ministry of Land and Resources centrally, and then there is some forest permits that are done both locally and in Beijing, but they are not—and that's really it. They're not like the PPA.

**Kevin Chiew**— Analyst, CIBC

Thanks. That's all from me.

**Operator**

Your next question comes from Michael Gray from Macquarie Capital. Please go ahead.

**Michael Gray** – Analyst, Macquarie Capital

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Yes. Good morning. Got a question on the Stratoni results you released; current thickness of 26 metres near the mine. Number one, the gold credit showing up; you've documented—maybe comments on that because I haven't seen that before, and also what the plan is going forward down dip exploration-wise?

**Paul N. Wright** – Chief Executive Officer, Eldorado Gold Corporation

Yes, I mean, as much as the drilling results were impressive in terms of grades and thickness, unfortunately—fortunately or unfortunately, I mean they relate to areas within our existing resource, so what we're really doing right now is sort of infilling in the existing resource base. At present we don't have any ability within the flow sheet to recover the gold.

**Norm S. Pitcher** – President, Eldorado Gold Corporation

No.

**Paul N. Wright** – Chief Executive Officer, Eldorado Gold Corporation

It's just sort of interesting but not terribly relevant.

**Michael Gray** – Analyst, Macquarie Capital

Okay. Thanks guys.

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**Operator**

Your next question comes from Patrick Chidley from HSBC. Please go ahead.

**Patrick Chidley – Analyst, HSBC**

Good morning, Paul, or afternoon, Paul and everyone. Just on the Turkish operations, in the quarter, I understand you don't have any hedging for the lira. Can you sort of outline how that benefitted the costs and how you see that going forward in the current quarter and this year?

**Fabiana E. Chubbs – Chief Financial Officer, Eldorado Gold Corporation**

In relation to the Turkish lira, all our revenues are in US dollars so in anticipation of it continuing at same levels, there is no need to hedge. We do monitor it but having the revenues in US dollars is your benefit. You convert when you need it.

**Patrick Chidley – Analyst, HSBC**

Right. Did we have a benefit there in the costs from Q4 into Q1?

**Norm Pitcher – President, Eldorado Gold Corporation**

Yes.

**Fabiana E. Chubbs – Chief Financial Officer, Eldorado Gold Corporation**

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Yes. We did.

**Patrick Chidley** – Analyst, HSBC

Great. Okay. Just a question on that Olympias tunnel then. Are you attacking that from both sides? I can't remember.

**Norm S. Pitcher** – President, Eldorado Gold Corporation

No, we're not right now. We do have the ability to. We need to get down a little bit further in the Olympias mine itself to be able to start coming in from that end.

**Patrick Chidley** – Analyst, HSBC

I see. But, that would be sort of in the medium term plan I guess, would it?

**Norm S. Pitcher** – President, Eldorado Gold Corporation

Yes. Medium term.

**Patrick Chidley** – Analyst, HSBC

Because otherwise it looks it might take you a very long time to finish it, yes?

**Norm S. Pitcher** – President, Eldorado Gold Corporation

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Yes. No, for sure. It would be more efficient to be able to start down below.

**Paul N. Wright** – Chief Executive Officer, Eldorado Gold Corporation

Part of the problem, Patrick, is we just don't have the hydrological information to know how long we're going to be in conditions which require grouting. That's part of the problem. So, you know, as Norm says, as soon as we can obviously we will get going from the other end. It's unfortunate because the actual ground conditions themselves are very good. It's the water that is what's obviously inhibiting our progress.

**Patrick Chidley** – Analyst, HSBC

Okay. Thanks. Then last question, just on follow-up from John's question earlier on the EU. Is there any legal recourse in terms of Brussels? In terms if the Greek actions here are indeed illegal, do you have the recourse in the courts in Europe?

**Paul N. Wright** – Chief Executive Officer, Eldorado Gold Corporation

It's not a European issue. We operate with a contract. This project is embedded in a formal contract with the Greek government and it's a legally binding contract whereby the parties have responsibilities and we are fulfilling our responsibilities. We're clearly—as I stated, we take the view, on sound legal advice, but the actions of the government are, frankly, without legal basis. The courts

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function appropriately, responsibly in Greece, and as part of the defence of our stakeholders and the society's interest, we are and will pursue resolution favourably through the courts.

Now—a part of our approach to dealing with the issue. The other part, frankly, is—and this is what I'd like to emphasize—is the engagement that is ongoing between ourselves the Company, the unions, societies, the Canadian government, to remedy, shall we say, the misunderstandings or the misinformation that has led to a certain position being taken by a ministry in the Greek government, alright? It's really through the process that—my opinion is you'll see resolution, long-term resolution.

**Patrick Chidley** – Analyst, HSBC

Okay. Thanks. Just on that, the progress at Skouries, obviously, work still continuing. Does this change actually impact the kind of work that you can do, or is it just you choosing maybe to slow down certain elements?

**Paul N. Wright** – Chief Executive Officer, Eldorado Gold Corporation

Well, we're having to work around some of the constraints as it relates to tree-cutting, but I mean at present we have close to 800 people engaged in construction activities on Skouries and there's lots to do. So, the major impediment in the first quarter was not really the action as it relates to this, the permits; it was more to do with the weather conditions and just where we were on earthworks. But now

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that we're getting into the dry season, we have a very large earthworks program planned for the next couple of quarters.

**Patrick Chidley** – Analyst, HSBC

Okay. Thanks, Paul.

**Operator**

Your next question comes from Kerry Smith from Haywood Securities. Please go ahead.

**Kerry Smith** – Analyst, Haywood Securities

Thanks, Operator. Norm, at Kisladag you put more tonnes on the pad in the quarter than you might have. Can you just remind me the tonnes that you think you will place in the pad this year?

**Norm S. Pitcher** – President, Eldorado Gold Corporation

I think it's around—yes, about 17.4 million of which—recall that we're permitted for about 12.5 through the crusher and—and the rest would be run of mine.

**Kerry Smith** – Analyst, Haywood Securities

Okay.

**Paul Skayman** – Chief Operating Officer, Eldorado Gold Corporation

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If we can put more through, we would.

**Norm Pitcher** – President, Eldorado Gold Corporation

Yes. It's just the crusher. We're limited by crusher capacity. Yes.

**Kerry Smith** – Analyst, Haywood Securities

Right. Okay. So really, the tonnes to the pad in the quarter was actually kind of roughly in line with what you were budgeting.

**Norm S. Pitcher** – President, Eldorado Gold Corporation

Yes that's about right, yes.

**Kerry Smith** – Analyst, Haywood Securities

Okay. Then just on the CAPEX for the year, like in the quarter you only spent about \$14 million of CAPEX at the operations, and your budget I think was \$165 million, so you kind of spent less than 10 percent. I'm just wondering how that incremental amount in that budget would get spent over the next three quarters. Would it be just equally split? Because that obviously had an impact on your all-in costs which were lower obviously primarily because of that. I'm just curious how it would spread out over the next three quarters.

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**Paul N. Wright** – Chief Executive Officer, Eldorado Gold Corporation

Kerry, you're always trying for quarterly guidance, aren't you? We admire your tenacity.

Look, I mean at this point—historically we tended to spend a little bit less each year on sustaining capital but I think you're usually a little bit less in the early quarter.

**Kerry Smith** – Analyst, Haywood Securities

So, what I was actually getting at, Paul, was more like do you think the 165 will actually get spent this year? Or, would it be a lesser number, just given that you spent so little in Q1?

**Norm S. Pitcher** – President, Eldorado Gold Corporation

We won't overspend, that's for sure. It's hard to say after one quarter worth of capital spending.

**Paul N. Wright** – Chief Executive Officer, Eldorado Gold Corporation

We tend to be a little bit light and this is probably going to be the same. But it's not—the sustaining capital, there's a lot of work we need to get done and we'll spend most of the money, Kerry.

**Kerry Smith** – Analyst, Haywood Securities

I've got you. Okay. And Paul, just on this permit to finish the mill shell at Skouries, like when would that actually become a bottleneck in terms of the construction itself? Like is it an event that

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wouldn't happen till next year, or is it something that might be later this year? I'm just wondering when it kind of becomes critical for you, or if it even does become critical.

**Paul N. Wright** – Chief Executive Officer, Eldorado Gold Corporation

Well, you could suggest facetiously we could operate the mill as an open air mill.

**Kerry Smith** – Analyst, Haywood Securities

Right.

**Paul N. Wright** – Chief Executive Officer, Eldorado Gold Corporation

Look, I mean, we're number of months before it becomes an issue. I guess, Kerry, my view is that we will see resolution of this situation before it becomes a critical item.

**Kerry Smith** – Analyst, Haywood Securities

A critical item. Okay. Okay, that's great. Thanks. Appreciate it.

**Operator**

Your next question comes from Anita Soni from Credit Suisse. Please go ahead.

**Anita Soni** – Analyst, Credit Suisse

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Hi guys. Just a question with regards to the recovery rates at Kisladag. Could you just remind me—actually just to the oxides and the sulphides that are going through the mill, do you have any oxides that are left that are going through the mill at this point?

**Paul Skayman** – Chief Operating Officer, Eldorado Gold Corporation

There is a little bit of upside material, I think, and we budget 80 percent recovery for the material that's crushed.

**Anita Soni** – Analyst, Credit Suisse

Then the sulphide stuff is around low 60s, right?

**Paul Skayman** – Chief Operating Officer, Eldorado Gold Corporation

That's correct. Yes. Depending on lithology, et cetera, but that's a reasonable number for crushed material.

**Anita Soni** – Analyst, Credit Suisse

Run-of-mine was 40s, is that what it is?

**Paul Skayman** – Chief Operating Officer, Eldorado Gold Corporation

A little bit less than that. Sort of mid-30s, I guess.

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**Anita Soni** – Analyst, Credit Suisse

All right, and since you've already addressed my strip ratio question, that's it from me. Thanks.

**Norm S. Pitcher** – President, Eldorado Gold Corporation

But, since you are asking operational questions, Anita, it allows me to bring up a mistake I made during the call on Jinfeng. I said—I put White Mountain costs on Jinfeng as well, so it's not \$600 cash cost at Jinfeng. It's \$517 per ounce C1 cash cost.

**Anita Soni** – Analyst, Credit Suisse

Thanks very much.

**Norm S. Pitcher** – President, Eldorado Gold Corporation

Yes.

**Operator**

Again, if you would like to ask a question, please press star, then the number one on your telephone keypad. Your next question comes from Dan Rollins from RBC Capital Markets. Please go ahead.

**Dan Rollins** – Analyst, RBC Capital Markets

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Thank you very much. Norm, just following up your comment on China. You had a really, really good cost on the C1 basis and total basis to start the year. Should we expect that to continue, or is there something—has something materially changed though to get the cost down a lot versus guidance, or should we just expect that to marginally move up throughout the year?

**Norm S. Pitcher** – President, Eldorado Gold Corporation

Yes. I mean again, without giving quarterly guidance, we're not redoing our guidance yet. I mean, we'll do what we always do, mid-year we'll peg it. Yes, we had great costs. It was not going to continue on for the rest of the year. I mean give us to mid-year.

**Dan Rollins** – Analyst, RBC Capital Markets

Okay. But are you guys seeing anything? Like has there is been any stepwise changes on our productivity, or consumable costs that are driving that, or is it just sort of quarterly ebb and flow?

**Paul Skayman** – Chief Operating Officer, Eldorado Gold Corporation

I think we're still sort of—we're not seeing stepwise changes. We're still expecting I think the same number of ounces as we originally guided. Costs are a little bit lower because of exchange rates as much as anything else. Exchange rate and fuel is probably a little bit better than we anticipated at budget time.

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**Dan Rollins** – Analyst, RBC Capital Markets

Okay. That's great. Maybe, Fabi, just a quick question. You mentioned that there was an incentive tax credit provided for Kisladag. Could you maybe provide a little bit of colour? Will that impact cash taxes paid going forward, or will that only relate when the Phase 4 expansion does occur?

**Fabiana E. Chubbs** – Chief Financial Officer, Eldorado Gold Corporation

It is on cash going forward but it's taken over the—you have a limit of how much you can use each period, so it will be over two periods, probably.

**Dan Rollins** – Analyst, RBC Capital Markets

Okay. Great. Thank you.

**Operator**

Once again, if you would like to ask a question, please press star, one on your telephone keypad. We have no further questions at this time. I will turn the call over to Mr. Wright.

**Paul N. Wright** – Chief Executive Officer, Eldorado Gold Corporation

Okay. Thank you, Operator, and thank you everybody for attending and participating in this call, and enjoy the weekend.

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**Operator**

This concludes today's conference call. You may now disconnect.