September 30, 2012

Unaudited Condensed Consolidated Financial Statements

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Eldorado Gold Corporation
Unaudited Condensed Consolidated Balance Sheets
(Expressed in thousands of U.S. dollars)

	Note	September 30, 2012 $	December 31, 2011 $
ASSETS			
Current assets			
Cash and cash equivalents		271,401	393,763
Restricted cash	*6*	36,794	55,390
Marketable securities		3,052	2,640
Accounts receivable and other		55,402	42,309
Inventories		216,216	164,057
		582,865	658,159
Non-current inventories		21,700	26,911
Investments in significantly influenced companies		30,093	18,808
Deferred income tax assets		3,253	4,259
Restricted assets and other		42,387	38,430
Defined benefit pension plan	*8*	4,155	-
Property, plant and equipment		6,012,298	2,847,910
Goodwill		669,311	365,928
		7,366,062	3,960,405
LIABILITIES & EQUITY			
Current liabilities			
Accounts payable and accrued liabilities		214,596	168,367
Current debt	*7*	45,558	81,031
		260,154	249,398
Debt	*7*	50,000	-
Asset retirement obligations		51,286	43,213
Defined benefit pension plan	*8*	-	19,969
Deferred income tax liabilities		871,056	336,579
		1,232,496	649,159
Equity			
Share capital	*9*	5,290,316	2,855,689
Treasury stock		(7,317)	(4,018)
Contributed surplus		69,278	30,441
Accumulated other comprehensive loss		(17,162)	(10,069)
Retained earnings		479,894	382,716
Total equity attributable to shareholders of the Company		5,815,009	3,254,759
Attributable to non-controlling interests		318,557	56,487
		6,133,566	3,311,246
		7,366,062	3,960,405

Approved on behalf of the Board of Directors

(Signed) Robert R. Gilmore Director *(Signed) Paul N. Wright* Director

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Eldorado Gold Corporation

Unaudited Condensed Consolidated Income Statements

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

	Three months ended September 30,		Nine months ended September 30,	
	2012	2011	2012	2011
	$	$	$	$
Revenue				
Metal sales	281,839	327,364	797,579	799,088
Cost of sales				
Production costs	107,615	95,020	293,340	250,762
Depreciation and amortization	26,082	29,954	78,635	91,014
	133,697	124,974	371,975	341,776
Gross profit	148,142	202,390	425,604	457,312
Exploration expenses	11,130	6,913	29,899	15,359
General and administrative expenses	17,518	11,207	53,345	45,815
Defined benefit pension plan expense	638	418	1,899	1,274
Share based payments	4,396	3,599	17,210	15,403
Transaction costs	552	-	20,005	-
Foreign exchange (gain) loss	(1,926)	3,530	(2,227)	5,558
Operating profit	115,834	176,723	305,473	373,903
(Gain) loss on disposal of assets	(23)	420	423	(2,672)
Loss (gain) on marketable securities and other investments	-	1,528	(1,032)	239
Loss on investments in significantly influenced companies	1,375	1,067	3,119	2,861
Other income	(264)	(2,792)	(2,641)	(4,808)
Asset retirement obligation accretion	457	387	1,328	1,160
Interest and financing costs	1,481	2,293	3,615	5,407
Profit before income tax	112,808	173,820	300,661	371,716
Income tax expense	34,435	63,077	98,965	120,520
Profit for the period	78,373	110,743	201,696	251,196
Attributable to:				
Shareholders of the Company	75,845	102,478	190,320	229,816
Non-controlling interests	2,528	8,265	11,376	21,380
	78,373	110,743	201,696	251,196
Weighted average number of shares outstanding				
Basic	712,789	549,085	680,121	548,800
Diluted	713,340	551,309	681,222	550,737
Earnings per share attributable to shareholders of the Company:				
Basic earnings per share	0.11	0.19	0.28	0.42
Diluted earnings per share	0.11	0.19	0.28	0.42

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Eldorado Gold Corporation

Unaudited Condensed Consolidated Statements of Comprehensive Income

(Expressed in thousands of U.S. dollars)

	Three months ended September 30,		Nine months ended September 30,	
	2012	2011	2012	2011
	$	$	$	$
Profit for the period	**78,373**	**110,743**	**201,696**	**251,196**
Other comprehensive income loss:				
Change in fair value of available-for-sale financial assets (net of income taxes of nil and $12; and nil and $12)	(231)	(399)	(1,368)	(1,383)
Realized gains on disposal of available-for-sale financial assets transferred to net income	-	-	(24)	(434)
Actuarial losses on defined benefit pension plans	-	-	(5,701)	-
Total other comprehensive loss for the period	(231)	(399)	(7,093)	(1,817)
Total comprehensive income for the period	**78,142**	**110,344**	**194,603**	**249,379**
Attributable to:				
Shareholders of the Company	75,614	102,079	183,227	227,999
Non-controlling interests	2,528	8,265	11,376	21,380
	78,142	**110,344**	**194,603**	**249,379**

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Eldorado Gold Corporation

Unaudited Condensed Consolidated Statements of Cash Flows

(Expressed in thousands of U.S. dollars)

	Note	Three months ended September 30,		Nine months ended September 30,	
		2012	2011	2012	2011
		$	$	$	$
Cash flows generated from (used in):					
Operating activities					
Profit for the period		78,373	110,743	201,696	251,196
Items not affecting cash					
Asset retirement obligation accretion		457	387	1,328	1,160
Depreciation and amortization		26,082	29,954	78,635	91,014
Unrealized foreign exchange (gain) loss		(446)	1,500	(809)	6,261
Deferred income tax (recovery) expense		(42)	10,079	(6,730)	374
(Gain) loss on disposal of assets		(23)	420	423	(2,672)
Loss on investments in significantly influenced companies		1,375	1,067	3,119	2,861
Loss (gain) on marketable securities and other investments		-	1,528	(1,032)	239
Share based payments		4,396	3,599	17,210	15,403
Defined benefit pension plan expense		638	418	1,899	1,274
		110,810	159,695	295,739	367,110
Changes in non-cash working capital	*11*	20,743	13,933	(121,914)	(2,389)
		131,553	173,628	173,825	364,721
Investing activities					
Net cash received on acquisition of subsidiary	*5*	-	-	18,789	-
Purchase of property, plant and equipment		(136,779)	(76,028)	(303,891)	(201,630)
Proceeds from the sale of property, plant and equipment		99	24	890	41
Net proceeds on pre-production sales		17,412	-	37,434	-
Purchase of marketable securities		2,152	(1,609)	-	(1,823)
Proceeds from the sale of marketable securities		-	-	230	6,345
Funding of non-registered supplemental retirement plan investments, net		-	43	14,486	(4,937)
Investments in significantly influenced companies		(11,947)	(2,470)	(15,359)	(3,788)
Decrease in restricted cash		20,240	35	18,571	(2,963)
		(108,823)	(80,005)	(228,850)	(208,755)
Financing activities					
Issuance of common shares for cash		3,430	22,631	20,261	30,616
Dividend paid to non-controlling interests		(967)	(4,473)	(2,238)	(8,095)
Dividend paid to shareholders		(43,262)	(33,426)	(93,142)	(61,167)
Purchase of treasury stock		(691)	(280)	(6,702)	(6,438)
Long-term and bank debt proceeds		-	2,579	50,000	5,782
Long-term and bank debt repayments		(24,429)	(29,749)	(35,516)	(74,465)
		(65,919)	(42,718)	(67,337)	(113,767)
Net (decrease) increase in cash and cash equivalents		(43,189)	50,905	(122,362)	42,199
Cash and cash equivalents - beginning of period		314,590	305,638	393,763	314,344
Cash and cash equivalents - end of period		271,401	356,543	271,401	356,543

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Eldorado Gold Corporation

Unaudited Condensed Consolidated Statements of Changes in Equity

(Expressed in thousands of U.S. dollars)

	Note	Three months ended September 30, 2012 $	Three months ended September 30, 2011 $	Nine months ended September 30, 2012 $	Nine months ended September 30, 2011 $
Share capital					
Balance beginning of period		5,282,368	2,825,024	2,855,689	2,814,679
Shares issued upon exercise of share options, for cash		3,430	22,631	20,261	29,131
Transfer of contributed surplus on exercise of options		4,518	6,714	22,674	9,074
Shares issued on acquisition of European Goldfields Ltd.	5	-	-	2,380,140	-
Shares issued for deferred phantom units		-	-	11,552	-
Shares issued upon exercise of warrants, for cash		-	-	-	1,485
Balance end of period		5,290,316	2,854,369	5,290,316	2,854,369
Treasury stock					
Balance beginning of period		(7,355)	(4,432)	(4,018)	-
Purchase of treasury stock		(691)	(280)	(6,702)	(6,438)
Shares redeemed upon exercise of restricted share units		729	499	3,403	2,225
Balance end of period		(7,317)	(4,213)	(7,317)	(4,213)
Contributed surplus					
Balance beginning of period		70,444	30,828	30,441	22,967
Share based payments		4,081	3,742	16,231	15,689
Shares redeemed upon exercise of restricted share units		(729)	(499)	(3,403)	(2,225)
Options issued on acquisition of European Goldfields Ltd.	5	-	-	31,130	-
Deferred phantom units granted on acquisition of European Goldfields Ltd.		-	-	29,105	-
Transfer to share capital on exercise of options and deferred phantom units		(4,518)	(6,714)	(34,226)	(9,074)
Balance end of period		69,278	27,357	69,278	27,357
Accumulated other comprehensive loss					
Balance beginning of period		(16,931)	(3,055)	(10,069)	(1,637)
Other comprehensive loss for the period		(231)	(399)	(7,093)	(1,817)
Balance end of period		(17,162)	(3,454)	(17,162)	(3,454)
Retained earnings					
Balance beginning of period		447,311	224,818	382,716	125,221
Dividends paid		(43,262)	(33,426)	(93,142)	(61,167)
Profit attributable to shareholders of the Company		75,845	102,478	190,320	229,816
Balance end of period		479,894	293,870	479,894	293,870
Total equity attributable to shareholders of the Company		5,815,009	3,167,929	5,815,009	3,167,929
Non-controlling interests					
Balance beginning of period		316,029	41,041	56,487	36,021
Profit attributable to non-controlling interests		2,528	8,265	11,376	21,380
Dividends declared to non-controlling interests		-	-	(9,399)	(8,095)
Acquired non-controlling interest	5	-	-	260,093	-
Balance end of period		318,557	49,306	318,557	49,306
Total equity		6,133,566	3,217,235	6,133,566	3,217,235

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

1. General Information

Eldorado Gold Corporation ("Eldorado" or the "Company") is a gold exploration, development, mining and production company. The Company has ongoing exploration and development projects in Turkey, China, Greece, Brazil and Romania. The Company acquired control of European Goldfields Ltd. ("EGU") in February 2012, including its producing mine, Stratoni, and development projects, Olympias and Skouries, in Greece and its development project, Certej, in Romania.

Eldorado is a public company which is listed on the Toronto Stock Exchange and New York Stock Exchange and is incorporated and domiciled in Canada.

2. Basis of preparation

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting'. They do not include all of the information and footnotes required by the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board for full annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended December 31, 2011.

Other than the adoption of new accounting policies described in note 3, the same accounting policies are used in the preparation of these condensed consolidated interim financial statements as for the most recent audited annual financial statements and reflect all the adjustments necessary for fair presentation in accordance with IFRS of the results for the interim periods presented.

3. Adoption of new accounting policies and new accounting developments

(a) Revenue recognition of other metals concentrate

Due to the acquisition of EGU in February 2012, the Company adopted a new accounting policy for revenue recognition of other metals concentrate. Revenues from the sale of concentrate are recognised when the risks and rewards of ownership have been transferred to the customer and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received.

A number of the Company's concentrate products are sold under pricing arrangements where final prices are determined by quoted market prices in a period subsequent to the date of sale. These concentrates are provisionally priced at the time of sale based on forward prices for the expected date of the final settlement. The provisionally priced sales of concentrate contain an embedded derivative, which does not qualify for hedge accounting. These embedded derivatives are recognized at fair value through revenue until the date of final price determination. Subsequent variations in the price are recognized as revenue adjustments as they occur until the price is finalized.

(b) Upcoming changes in accounting standards

Accounting standards effective in 2013 and 2015 are disclosed in the Company's consolidated financial statements for the year ended December 31, 2011.

4. Critical accounting estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each period end. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

4. Critical accounting estimates and judgements *(continued)*

Significant areas requiring the use of management estimates include assumptions and estimates relating to determining defined proven and probable reserves, value beyond proven and probable reserves, fair values for purposes of purchase price allocations for business acquisitions, asset impairment analysis, asset retirement obligations, share-based payments and warrants, pension benefits, valuation allowances for deferred income tax assets, the provision for income tax liabilities, deferred income taxes and assessing and evaluating contingencies.

Actual results could differ from these estimates. Outlined below are some of the areas which require management to make judgments, estimates and assumptions in determining carrying values.

Purchase price allocation
Business combinations require judgment and estimates to be made at the date of acquisition in relation to determining asset and liability fair values and the allocation of the purchase consideration over the fair value of the assets and liabilities.

In respect of mining company acquisitions, such as the acquisition of EGU in February 2012, purchase consideration is typically allocated to the mineral reserves and resources being acquired. The estimate of reserves and resources is subject to assumptions relating to life of the mine and may change when new information becomes available. Changes in reserves and resources as a result of factors such as production costs, recovery rates, grade or reserves or commodity prices could impact depreciation rates, asset carrying values and environmental and restoration provisions. Changes in assumptions over long-term commodity prices, market demand and supply, and economic and regulatory climates could also impact the carrying value of assets, including goodwill.

Estimated recoverable reserves and resources
Mineral reserve and resource estimates are based on various assumptions relating to operating matters, including, with respect to production costs, mining and processing recoveries, cut-off grades, as well as assumptions relating to long-term commodity prices and, in some cases, exchange rates, inflation rates and capital costs. Cost estimates are based on feasibility study estimates or operating history. Estimates are prepared by appropriately qualified persons, but will be impacted by forecasted commodity prices, inflation rates, exchange rates, capital and production costs and recoveries amongst other factors. Estimated recoverable reserves and resources are used to determine the depreciation of property, plant and equipment at operating mine sites, in accounting for deferred stripping costs, in performing impairment testing and for forecasting the timing of the payment of decommissioning and restoration costs. Therefore, changes in the assumptions used could impact the carrying value of assets, depreciation and impairment charges recorded in the income statement and the carrying value of the decommissioning and restoration provision.

Asset retirement obligations
Asset retirement obligations are based on future cost estimates using information available at the balance sheet date. Asset retirement obligations are adjusted at each reporting period for changes to factors such as the expected amount of cash flows required to discharge the liability, the timing of such cash flows and the discount rate. Asset retirement obligations require other significant estimates and assumptions such as: requirements of the relevant legal and regulatory framework, and the timing, extent and costs of required decommissioning and restoration activities. To the extent the actual costs differ from these estimates, adjustments will be recorded and the income statement may be impacted.

Current and deferred taxes
The Company calculates current and deferred tax provisions for each of the jurisdictions in which it operates. Actual amounts of income tax expense are not final until tax returns are filed and accepted by the relevant authorities. This occurs subsequent to the issuance of financial statements. Therefore, profit in subsequent periods will be affected by the amount that estimates differ from the final tax return.

4. Critical accounting estimates and judgements *(continued)*

Judgment is required in assessing whether deferred tax assets and certain deferred tax liabilities are recognized on the balance sheet. The Company also evaluates the recoverability of deferred tax assets based on an assessment of the ability to use the underlying future tax deductions before they expire against future taxable income. Deferred tax liabilities arising from temporary differences on investments in subsidiaries, joint ventures and associates are recognized unless the reversal of the temporary differences is not expected to occur in the foreseeable future and can be controlled. Assumptions about the generation of future taxable profits and repatriation of retained earnings depend on management's estimates of future production and sales volumes, commodity prices, reserves, operating costs, decommissioning and restoration costs, capital expenditures, dividends and other capital management transactions.

Judgement is also required in the application of income tax legislation. These estimates and judgments are subject to risk and uncertainty and could result in an adjustment to current and deferred tax provisions and a corresponding credit or debit to profit.

5. Acquisition of European Goldfields Ltd.

On February 24, 2012 the Company acquired 100% of the issued and outstanding shares of EGU. Under the terms of the Arrangement former EGU shareholders received 0.85 of an Eldorado common share and C$0.0001 in cash for each EGU share. Eldorado issued 157,959,316 common shares pursuant to the Arrangement. EGU holds a 95% stake in the Kassandra Mines district in Greece, which is comprised of the Stratoni Mine, and the Olympias and Skouries development projects, and an 80% stake in the Certej development project in Romania.

The Company acquired EGU to increase its presence in the Aegean region and leverage local operating knowledge and expertise.

The goodwill of $303,383 resulting from the acquisition arises mainly on the recognition of deferred income tax liabilities and non-controlling interests and represents, among other things, the exploration potential within the assets acquired and future variability in the price of minerals. None of the goodwill is deductible for tax purposes.

In April 2007, Hellas Gold ("Hellas"), a subsidiary of EGU, agreed to sell to Silver Wheaton (Caymans) Ltd. ("Silver Wheaton") all of the silver metal to be produced from ore extracted during the mine-life within an area of approximately seven square kilometres around the Stratoni mine up to 15 million ounces, or 20 million ounces if additional silver is processed through the Stratoni mill from areas other than the current producing mine. The sale was made in consideration of a prepayment to Hellas of $57.5 million in cash, plus a payment per ounce of payable silver equal to the lesser of $3.90 and the prevailing market price per ounce calculated, due and payable at the time of delivery. The expected cash flows associated with the sale of the silver to Silver Wheaton at a price lower than market price have been reflected in the fair value of the mining interest recorded upon acquisition of EGU. The Company has presented the value of any expected future cash flows from the sale of any future silver production to Silver Wheaton as part of the mining interest, as the Company did not receive any of the original upfront payment. Further, the Company does not believe that the agreement to sell to Silver Wheaton meets the definition of an onerous contract or other liability as the obligation only arises upon production of the silver.

(Expressed in thousands of U.S. dollars, unless otherwise stated)

5. Acquisition of European Goldfields Ltd. *(continued)*

A preliminary allocation of the purchase price, which is subject to final adjustments, is as follows:

Preliminary purchase price:		
157,959,316 common shares of shares of Eldorado at C$15.05/share	$	2,380,140
4,713,248 replacement options		31,130
1,931,542 equity settled deferred phantom units		29,105
Cash consideration		19
Total Consideration	$	2,440,394
Net assets acquired:		
Cash	$	18,808
Accounts receivable		20,844
Inventory		9,689
Other assets		9,951
Mining interests		2,990,047
Goodwill		303,383
Accounts payable		(100,776)
Non-current liabilities		(9,242)
Deferred income taxes		(542,217)
Non-controlling interest		(260,093)
	$	2,440,394

For the purpose of these condensed consolidated financial statements, the purchase consideration has been allocated on a preliminary basis to the fair value of assets acquired and liabilities assumed based on management's best estimates taking into account all available information at the time of acquisition as well as applicable information at the time these condensed consolidated financial statements were prepared. The Company will continue to review information and perform further analysis with respect to these assets, prior to finalizing the allocation of the purchase price.

Eldorado has conducted a preliminary assessment of contingent liabilities identified during its due diligence and has recognized certain contingent liabilities in its initial accounting for the acquisition. However, the Company is continuing its review to determine whether additional contingent liabilities exist. If during the measurement period new information is found that identifies adjustments to the amount of contingent liabilities recognized initially, or additional contingent liabilities that existed at the acquisition date, then the acquisition accounting will be revised to reflect the resulting adjustments to the amounts initially recognized. During the current quarter the Company received additional information regarding a contingent legal liability that existed at acquisition date. This liability relates to a case before the European Commission that challenges the value of the original transfer of property from the Greek State. This added information has resulted in an increase to the liabilities acquired and the goodwill recognized of $28,832.

The fair value of the common shares and replacement options issued and the equity settled deferred phantom units ("DPUs") as part of the consideration paid for EGU was based on the closing share price on February 24, 2012 on the Toronto Stock Exchange. The value of the replacement options was calculated using the Black-Scholes model. The following inputs were used to value the replacement options:

Risk-free interest rate	1.28%
Expected volatility (range)	39% – 44%
Expected life (range)	0.7 – 1.7 years
Expected dividends per share	Cdn $0.09
Forfeiture rate	0%

(Expressed in thousands of U.S. dollars, unless otherwise stated)

5. Acquisition of European Goldfields Ltd. *(continued)*

Acquisition related costs of $552 have been charged to transaction costs in the consolidated income statement for the quarter ended September 30, 2012 (YTD – $20,005).

These consolidated financial statements include EGU's results from February 24, 2012 to September 30, 2012. The revenue included in the consolidated income statement since February 24, 2012 contributed by EGU was $34,358. This is from the sales of zinc, lead and silver concentrates produced at the Stratoni Mine in Greece. The net loss was $18,776.

Had EGU been consolidated from January 1, 2012, the consolidated income statement would include revenue of $42,136 and a net loss of $41,820 from EGU.

Eldorado received net cash of $18,789 as a result of the EGU transaction. This net increase of cash was a result of an acquired cash balance of $18,808 less cash consideration of $19.

6. Restricted cash

Restricted cash represents short-term interest-bearing money market securities and funds held on deposit as collateral for the following loans:

	September 30, 2012 $	December 31, 2011 $
Eastern Dragon CMB standby letter of credit loan (note 7(b))	36,794	52,390
Unamgen deposit security HSBC letter of credit	-	3,000
	36,794	55,390

7. Debt

	September 30, 2012 $	December 31, 2011 $
Current:		
Jinfeng construction loan (a)	3,767	19,929
Eastern Dragon CMB standby letter of credit loan (b)	31,541	50,786
Eastern Dragon HSBC revolving loan facility (c)	10,250	10,316
	45,558	81,031
Non-current:		
HSBC revolving credit facility (d)	50,000	-
	50,000	-

(a) Jinfeng construction loan

In 2009, Guizhou Jinfeng Mining Ltd. ("Jinfeng"), our 82% owned subsidiary entered into a RMB 680.0 million ($107,239) construction loan facility ("the construction loan") with China Construction Bank ("CCB"). The construction loan has a term of 6 years commencing on February 27, 2009 and is subject to a floating interest rate adjusted annually at 95% of the prevailing lending rate stipulated by the People's Bank of China for similar loans. The effective interest as at September 30, 2012 was 6.70%.

Scheduled quarterly payments of RMB 35.0 million ($5,520) are anticipated to repay the principal loan balance in full by the end of 2012. Any pre-payments are applied to reduce future payments starting from the final payment.

Jinfeng made its quarterly scheduled payment of RMB 35.0 million ($5,520) in September of 2012, reducing the balance remaining to RMB 25.0 million ($3,943) at September 30, 2012.

7. Debt *(continued)*

Net deferred financing costs in the amount of $176 have been included as an offset in the balance of the loan in the financial statements and are being amortized using the effective interest method.

(b) Eastern Dragon CMB standby letter of credit loan

In January 2010, Rock Mining Industry Development Company Limited ("Eastern Dragon"), our 95% owned subsidiary, entered into a RMB 320.0 million ($50,465) standby letter of credit loan with CMB. This loan has a one year term. In January 2012, the term was extended for a second year term to January 2013 and the annual management fee of 10% of the interest accrued on the outstanding amount paid quarterly was removed. In addition, the floating interest rate is now adjusted monthly at the prevailing lending rate stipulated by the People's Bank of China for working capital loans. This loan is collateralized by way of a restricted cash deposit as funding of the irrevocable letter of credit issued by Sino Gold to CMB. The collateral was increased in January 2012 from $52,300 to $56,500. The interest rate on this loan as at September 30, 2012 was 6.00%.

In September 2012, we repaid RMB 120.0 million ($18,924), releasing $20,000 of the restricted cash balance. At September 30, 2012, RMB 200.0 million ($31,541) remained outstanding.

(c) Eastern Dragon HSBC revolving loan facility

In May 2010, Eastern Dragon entered into a RMB 80.0 million ($12,616) revolving facility ("the facility") with HSBC Bank (China). The facility can be drawn down in minimum tranches of RMB 1.0 million ($158) or its multiples. Each drawdown bears interest fixed at the prevailing lending rate stipulated by the People's Bank of China on the date of drawdown. The Facility has a term of up to one year. In February, 2012, the Facility was reviewed by the bank and was extended to November 30, 2012. The interest rate on this loan as at September 30, 2012 was 6.16%.

As at September 30, 2012, RMB 65.0 million ($10,250) was outstanding on this loan.

The Facility is secured by a letter of guarantee issued by Eldorado. Eldorado must maintain at all times a security coverage ratio of 110% of the amounts drawn down. As at September 30, 2012, the security coverage is $11,275.

This Facility is to be repaid in full when Eastern Dragon obtains the required project approval that will allow it to complete the second drawdown on the project-financing loan.

(d) HSBC revolving credit facility

In October 2011, the Company entered into a $280.0 million revolving credit facility with HSBC ("the credit facility") and a syndicate of four other banks. The credit facility matures on October 12, 2015 and is secured by the shares of SG Resources and Tuprag, wholly owned subsidiaries of the Company. The interest rate on this loan as at September 30, 2012 was 1.97%.

The prepaid loan cost on the balance sheet relating to the credit facility as at September 30, 2012 was $2,399.

As at September 30, 2012, $50,000 had been drawn down on the credit facility.

(e) Entrusted loan

In November 2010, Eastern Dragon, HSBC Bank (China) and Qinghai Dachaidan Mining Ltd ("QDML"), our 90% owned subsidiary, entered into a RMB 12.0 million ($1,892) entrusted loan agreement, which was subsequently increased to RMB 180.0 million ($28,387) in September 2011. A subsequent increase to RMB 620.0 million ($97,776) occurred in September 2012.

Under the terms of the entrusted loan, QDML with its own funds entrusts HSBC Bank (China) to provide a loan facility in the name of QDML to Eastern Dragon.

(Expressed in thousands of U.S. dollars, unless otherwise stated)

7. Debt *(continued)*

The entrusted loan can be drawn down in tranches. Each drawdown bears interest fixed at the prevailing lending rate stipulated by the People's Bank of China on the date of drawdown. Each draw down has a term of three months and can be rolled forward at the discretion of QDML. The interest rate on this loan as at September 30, 2012 was 4.59%.

As at September 30, 2012, RMB 323.0 million ($50,938) had been drawn under the entrusted loan. Subsequent to September 30, 2012, RMB 10.0 million ($1,577) was drawn under this loan.

The entrusted loan has been recorded on a net settlement basis.

8. Defined benefit pension plan

During the second quarter of 2012, the Company set up a Retirement Compensation Arrangement ("RCA") trust account in connection with its non-registered supplementary pension plan. As it is a trust account, the assets in the account are protected from the Company's creditors. The RCA requires the Company to remit 50% of any contributions made to the Receiver General for Canada to a refundable tax account.

9. Share capital

Eldorado's authorized share capital consists of an unlimited number of voting common shares without par value and an unlimited number of non-voting common shares without par value. At September 30, 2012 there were no non-voting common shares outstanding (December 31, 2011 – none).

Voting common shares	Number of Shares	Total $
At January 1, 2012	551,682,917	2,855,689
Shares issued upon exercise of share options, for cash	3,113,626	20,261
Estimated fair value of share options exercised	-	22,674
Shares issued on acquisition of European Goldfields Ltd. (note 5)	157,959,316	2,380,140
Common shares issued for deferred phantom units	851,497	11,552
At September 30, 2012	713,607,356	5,290,316

10. Share-based payments

(a) Share option plans

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	2012	
	Weighted average exercise price Cdn$	Number of options
At January 1,	12.60	8,616,113
Regular options granted	14.80	5,906,073
Replacement options granted on acquisition of European Goldfields Ltd. (note 5)	9.73	4,713,248
Exercised	6.48	(3,113,626)
Forfeited	15.00	(633,119)
At September 30,	**13.70**	**15,488,689**

(Expressed in thousands of U.S. dollars, unless otherwise stated)

10. Share-based payments *(continued)*

At September 30, 2012, 10,547,424 share options (September 30, 2011 – 5,127,291) with a weighted average exercise price of Cdn$12.99 (September 30, 2011 – Cdn$10.38) had vested and were exercisable. Options outstanding are as follows:

	September 30, 2012				
	Total options outstanding			Exercisable options	
Range of exercise price Cdn$	Shares	Weighted average remaining contractual life (years)	Weighted average exercise price Cdn$	Shares	Weighted average exercise price Cdn$
$4.00 to $4.99	1,148,936	1.1	4.88	1,148,936	4.88
$5.00 to $5.99	66,250	1.1	5.92	66,250	5.92
$6.00 to $6.99	201,000	0.5	6.38	201,000	6.38
$7.00 to $7.99	725,000	2.6	7.13	725,000	7.13
$8.00 to $8.99	15,582	0.8	8.00	15,582	8.00
$9.00 to $9.99	302,900	1.5	9.64	302,900	9.64
$10.00 to $10.99	162,922	4.3	10.85	54,306	10.85
$11.00 to $11.99	10,000	1.5	11.40	10,000	11.40
$12.00 to $12.99	833,398	4.3	12.71	400,132	12.67
$13.00 to $13.99	2,310,456	2.4	13.24	2,310,456	13.24
$14.00 to $14.99	316,614	4.7	14.62	181,092	14.73
$15.00 to $15.99	5,216,473	4.3	15.25	1,930,038	15.27
$16.00 to $16.99	4,115,158	3.5	16.57	3,172,398	16.55
$18.00 to $18.99	24,000	3.2	18.81	16,000	18.81
$19.00 to $20.02	40,000	4.1	19.19	13,334	19.19
	15,488,689	3.4	13.70	10,547,424	12.99

Share based compensation expense related to share options for the quarter ended September 30, 2012 was $3,125 (YTD – $11,821).

(b) Restricted share unit plan

A total of 469,294 restricted share units ("RSUs") at a grant-date fair value of Cdn$14.65 per unit were granted during the nine month period ended September 30, 2012 under the Company's RSU plan and 156,432 were exercisable as at September 30, 2012.

The fair value of each RSU issued is determined as the closing share price at grant date.

A summary of the status of the restricted share unit plan and changes during the period ended September 30, 2012 is as follows:

	Total RSUs
Balance at December 31, 2011	253,587
RSUs Granted	469,294
Redeemed	(257,825)
Forfeited	-
Balance at September 30, 2012	465,056

As at September 30, 2012, 457,485 common shares purchased by the Company remain held in trust in connection with this plan. At the end of the period, 79,752 restricted share units are fully vested and exercisable. These shares purchased and held in trust have been included in treasury stock in the balance sheet.

Restricted share units expense for the period ended September 30, 2012 was $956 (YTD – $4,409).

(Expressed in thousands of U.S. dollars, unless otherwise stated)

10. Share-based payments *(continued)*

(c) Deferred share units plan

At September 30, 2012, 126,406 deferred share units ("DSUs") were outstanding with a value of $1,927, which is included in accounts payable and accrued liabilities.

Compensation expense related to the DSUs was $315 for the period ended September 30, 2012 (YTD – $980).

(d) Deferred phantom units

In accordance with the acquisition agreement of EGU (note 5), the EGU DPUs will be converted on redemption to Eldorado shares using the 85% share exchange ratio as indicated within the plan of Arrangement. The DPU plan was amended to allow for share settlement only. Each DPU is exercisable into one common share entitling the holder to receive the common share for no additional consideration. During the quarter, no DPUs were exercised (YTD – 851,497 DPUs). The remaining 1,080,045 DPUs are expected to be exercised during 2012.

11. Supplementary cash flow information

	Three months ended September 30,		Nine months ended September 30,	
	2012	**2011**	**2012**	**2011**
Changes in non-cash working capital	**$**	**$**	**$**	**$**
Accounts receivable and other	(4,239)	(9,769)	(2,981)	(1,454)
Inventories	5,451	(1,264)	(27,912)	(10,926)
Accounts payable and accrued liabilities	19,531	24,966	(91,021)	9,991
Total	20,743	13,933	(121,914)	(2,389)
Supplementary cash flow information				
Income taxes paid	18,939	34,249	81,576	95,011
Interest paid	741	2,087	3,279	6,705
Non-cash investing and financing activities				
Shares, options and DPUs issued on acquisition of European Goldfields Ltd.	-	-	2,440,375	-

12. Contingencies

In May 2012, the Company, in connection with Hellas, entered into a Letter of Guarantee in favour of the Greek Ministry of Environment, Energy and Climate Change, in the amount of EUR50.0 million, as security for the due and proper performance of rehabilitation work committed in connection with the Environmental Impact Assessment approved for the Kassandra Mines. The Letter of Guarantee is renewed annually and expires on July 26, 2026. The Letter of Guarantee has an annual fee of 57 basis points.

(Expressed in thousands of U.S. dollars, unless otherwise stated)

13. Segment information

Identification of reportable segments

The Company has identified its operating segments based on the internal reports that are reviewed and used by the chief executive officer and the executive management (the chief operating decision makers or CODM) in assessing performance and in determining the allocation of resources.

The CODM considers the business from both a geographic and product perspective and assesses the performance of the operating segments based on measures of profit and loss as well as assets and liabilities. These measures include operating profit, expenditures on exploration, property, plant and equipment and non-current assets, as well as total debt. As at September 30, 2012, Eldorado had six reporting segments based on the geographical location of mining and exploration and development activities.

13.1 Geographical segments

Geographically, the operating segments are identified by country and by operating mine or mine under construction. The Brazil reporting segment includes the Vila Nova mine, development activities of Tocantinzinho and exploration activities in Brazil. The Turkey reporting segment includes the Kişladağ and the Efemçukuru mines and exploration activities in Turkey. The China reporting segment includes the Tanjianshan ("TJS"), Jinfeng and White Mountain mines, the Eastern Dragon development project and exploration activities in China. The Greece reporting segment includes the Stratoni mine and the Olympias, Skouries and Perama Hill development projects and exploration activities in Greece. The Romania reporting segment includes the Certej development project. Other reporting segment includes operations of Eldorado's corporate office and exploration activities in other countries. Financial information about each of these operating segments is reported to the CODM on at least a monthly basis.

For the three months ended September 30, 2012

	Turkey	China	Brazil	Greece	Romania	Other	Total
	$	$	$	$	$	$	$
Information about profit and loss							
Metal sales to external customers	141,031	118,990	7,292	14,526	-	-	281,839
Production costs	31,606	57,722	6,954	11,333	-	-	107,615
Depreciation	3,550	18,969	1,094	1,845	-	624	26,082
Gross profit	105,875	42,299	(756)	1,348	-	(624)	148,142
Other material items of income and expense							
Exploration expenses	2,390	4,578	3,215	(124)	84	987	11,130
Income tax expense	23,511	10,815	171	(64)	-	2	34,435
Additions to property, plant and equipment during the period	71,068	36,807	4,538	32,853	2,125	(3,786)	143,605

(Expressed in thousands of U.S. dollars, unless otherwise stated)

13. Segment information *(continued)*

For the three months ended September 30, 2011

	Turkey $	China $	Brazil $	Greece $	Other $	Total $
Information about profit and loss						
Metal sales to external customers	149,657	156,852	20,855	-	-	327,364
Production costs	35,887	48,445	10,688	-	-	95,020
Depreciation	3,180	24,609	1,540	-	625	29,954
Gross profit	110,590	83,798	8,627	-	(625)	202,390
Other material items of income and expense						
Exploration expenses	1,843	841	3,362	-	867	6,913
Income tax expense	39,027	18,673	5,151	223	3	63,077
Additions to property, plant and equipment during the period	44,525	26,662	4,273	586	205	76,251

For the nine months ended September 30, 2012

	Turkey $	China $	Brazil $	Greece $	Romania $	Other $	Total $
Information about profit and loss							
Metal sales to external customers	353,256	380,567	29,398	34,358	-	-	797,579
Production costs	80,103	164,591	23,337	25,309	-	-	293,340
Depreciation	8,949	60,465	3,241	4,522	-	1,458	78,635
Gross profit	264,204	155,511	2,820	4,527	-	(1,458)	425,604
Other material items of income and expense							
Exploration expenses	5,793	11,616	8,572	-	84	3,834	29,899
Income tax expense	57,756	40,829	1,006	(640)	-	14	98,965
Additions to property, plant and equipment during the period	144,787	80,113	15,449	55,807	4,680	1,157	301,993
Information about assets and liabilities							
Property, plant and equipment (*)	676,849	1,928,057	196,575	2,467,173	740,996	2,648	6,012,298
Goodwill	-	365,928	-	303,383	-	-	669,311
	676,849	2,293,985	196,575	2,770,556	740,996	2,648	6,681,609
Debt	-	45,558	-	-	-	50,000	95,558

* Net of revenues from sale of pre-commercial production

(Expressed in thousands of U.S. dollars, unless otherwise stated)

13. Segment information *(continued)*

For the nine months ended September 30, 2011

	Turkey $	China $	Brazil $	Greece $	Other $	Total $
Information about profit and loss						
Metal sales to external customers	322,520	438,632	37,936	-	-	799,088
Production costs	85,645	147,192	17,925	-	-	250,762
Depreciation	8,279	78,244	2,777	-	1,714	91,014
Gross profit	228,596	213,196	17,234	-	(1,714)	457,312
Other material items of income and expense						
Exploration expenses	5,860	2,371	4,574	-	2,554	15,359
Income tax expense	70,428	50,514	(667)	223	22	120,520
Additions to property, plant and equipment during the period	134,215	62,821	11,477	2,009	1,884	212,406

As at December 31, 2011

	Turkey $	China $	Brazil $	Greece $	Other $	Total $
Information about assets and liabilities						
Property, plant and equipment	591,896	1,903,793	185,667	163,239	3,315	2,847,910
Goodwill	-	365,928	-	-	-	365,928
	591,896	2,269,721	185,667	163,239	3,315	3,213,838
Debt	-	81,031	-	-	-	81,031

The Turkey and China segments derive their revenues from sales of gold and silver. The Brazil segment derives its revenue from sales of iron ore. The Greece segment derives its revenue from sales of zinc, lead and silver concentrates.

13.2 Economic dependence

At September 30, 2012, each of our Chinese mines had one major customer, to whom each sells its entire production, as follows:

TJS Mine	Henan Zhongyuan Gold Smelter Factory Co. Ltd.of Zhongjin Gold Holding Co. Ltd.
Jinfeng Mine	Zijin Refinery
White Mountain Mine	Refinery of Shandong Humon Smelting Co. Ltd.

13.3 Seasonality/cyclicality of operations

Management does not consider operations to be of a significant seasonal or cyclical nature.

MANAGEMENT'S DISCUSSION and ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (MD&A)
for the three and nine-month periods ended September 30, 2012

Throughout this MD&A, *Eldorado*, *we, us, our* and *the Company* mean Eldorado Gold Corporation. *This quarter* means the third quarter of 2012. All dollar amounts are in United States dollars unless stated otherwise.

The information in this MD&A is as of October 25, 2012. You should also read our audited consolidated financial statements for the year ended December 31, 2011 prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and the unaudited interim condensed consolidated financial statements for the three and nine-month periods ended September 30, 2012 prepared in accordance with International Accounting Standard (IAS) 34 – "Interim Financial Reporting". We file our financial statements and MD&A with appropriate regulatory authorities in Canada and the United States. You can find more information about Eldorado, including our annual information form, on SEDAR at www.sedar.com.

Except for those related to our acquisition of European Goldfields Limited (EGU), there have been no changes to the following since we published our 2011 MD&A: critical accounting estimates, financial related risks and other risks and uncertainties. There has also been no material change in the legal status of our worldwide projects and operations since that time.

What's inside

About Eldorado

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, development, production and reclamation.

Operating gold mines:
- Kisladag, in Turkey (100%)
- Tanjianshan, in China (90%)
- Jinfeng, in China (82%)
- White Mountain, in China (95%)
- Efemcukuru, in Turkey (100%)

Development gold projects:
- Eastern Dragon, in China (95%)
- Tocantinzinho, in Brazil (100%)
- Perama Hill, in Greece (100%)
- Olympias, in Greece (95%)
- Skouries, in Greece (95%)
- Certej, in Romania (80%)

Other mines:
- Vila Nova – iron ore, in Brazil (100%)
- Stratoni – silver, lead, zinc, in Greece (95%)

Eldorado's common shares are listed on the following exchanges:
- Toronto Stock Exchange (TSX) under the symbol ELD
- New York Stock Exchange (NYSE) under the symbol EGO

ELD is part of the S&P/TSX Global Gold Index. EGO is part of the AMEX Gold BUGS Index.

Third quarter summary results

- Profit attributable to shareholders of the Company (net income) for the quarter was $75.8 million or $0.11 per share compared to $102.5 million or $0.19 per share for the same quarter in 2011.

- Gold revenues were 15% lower than the same quarter in 2011 due to lower sales volumes and gold prices.

- Gross profit from gold mining operations before taxes was $146.9 million for the quarter, 24% lower than the third quarter of 2011.

- The Company generated $110.8 million in cash from operating activities before changes in non-cash working capital – a decrease of 31% over the same quarter in 2011.

Review of Financial Results

Summarized Financial Results	3 months ended September 30,		9 months ended September 30,	
	2012	2011	2012	2011
Revenues (millions)	$281.8	$327.4	$797.6	$799.1
Gold sold (ounces)	154,841	179,513	438,421	490,207
Average realized gold price ($/ounce)	$1,670	$1,700	$1,665	$1,546
Cash operating costs ($/ounce sold) (1)	$493	$397	$475	$401
Total cash cost ($ per ounce sold) (1)	$567	$463	$549	$467
Gross profit from gold mining operations(1) (millions)	$146.9	$193.2	$416.3	$438.5
Net Income (millions)	$75.8	$102.5	$190.3	$229.8
Earnings per share attributable to shareholders of the Company – Basic ($/share)	$0.11	$0.19	$0.28	$0.42
Earnings per share attributable to shareholders of the Company – Diluted ($/share)	$0.11	$0.19	$0.28	$0.42
Dividends paid (Cdn$/share)	$0.06	$0.06	$0.15	$0.11
Cash flow from operating activities before changes in non-cash working capital(1) (millions)	$110.8	$159.7	$295.7	$367.1

(1) The Company has included non-IFRS performance measures such as cash operating costs, total cash costs, gross profit from gold mining operations and cash flow from operations before changes in non-cash working capital throughout this document. These are non-IFRS measures. Please see page 12 for discussion of non-IFRS measures.

Net income for the quarter was $75.8 million (or $0.11 per share), compared with $102.5 million (or $0.19 per share) in the third quarter of 2011, a decrease of 26%. The decrease in net income year over year was due to lower gross profit from gold mining operations ($46.3 million or 24% lower), as well as higher general and administrative expense ($6.3 million higher), and exploration expense ($4.2 million higher). Revenues from gold sales for the quarter of $258.5 million were down $46.7 million or 15%, from the third quarter of 2011 due to lower sales volumes and prices. The Company sold 154,841 ounces in the third quarter of 2012 as compared with 179,513 ounces in the third quarter of 2011. The table below details the sales volumes by mine as compared to the previous year.

Sales volumes by mine	3 months ended September 30,		9 months ended September 30,	
	2012	2011	2012	2011
Gold ounces sold	154,841	179,513	438,421	490,207
- Kisladag	83,750	87,121	210,905	204,345
- Tanjianshan	28,944	26,935	84,932	87,405
- Jinfeng	25,805	44,187	86,663	139,086
- White Mountain	16,342	21,270	55,921	59,371
Average price per oz.	$1,670	$1,700	$1,665	$1,546
Gold revenue (millions)	$258.5	$305.2	$729.9	$757.6

Revenues from iron ore sales at Vila Nova during the quarter were $7.3 million compared to $20.9 million for the third quarter of 2011. A total of 123,180 dry metric tonnes were sold at an average price of $59 per dry metric tonne as compared to 170,781 dry metric tonnes at an average price of $122 per dry metric tonne for the third quarter of 2011. Revenues from concentrate sales at Stratoni totalled $14.5 million. The Company also recorded $1.5 million in by-product silver sales at its gold mines.

Production costs
Production costs per ounce sold at our gold mining operations increased 23% over the third quarter of 2011, mainly as a result of higher unit production costs from our Chinese mines. The increase in unit costs at our Chinese mines was driven by the impact of lower grade mill feed on ounces produced. At Jinfeng, ore was added to mill feed from low grade ore stockpiles to augment lower ore production from the open pit. Production costs at Stratoni were $11.3 million and at Vila Nova were $7.0 million. Stratoni was acquired in 2012 as part of the acquisition of European Goldfields Ltd. Unit production costs at Vila Nova decreased 13% from the third quarter of 2011 due to lower waste stripping activity.

Depreciation and amortization expense
DD&A expense from gold mining operations was $26.1 million this quarter or $3.9 million lower than in the third quarter of 2011, mainly as a result of lower sales from Jinfeng and White Mountain.

Other expenses ($millions)	**3 months ended September 30,**		**9 months ended September 30,**	
	2012	**2011**	**2012**	**2011**
General and administrative	17.5	11.2	53.3	45.8
Exploration	11.1	6.9	29.9	15.4
Income tax	34.4	63.1	99.0	120.5
Transaction costs	0.6	-	20.0	-
Non-controlling interests	2.5	8.3	11.4	21.4

General and administrative expenses
General and administrative expenses increased $6.3 million from the third quarter of 2011 mainly as a result of additional costs of our Athens office as a result of the acquisition of European Goldfields.

Exploration expenses
Exploration expenses during the third quarter increased $4.2 million year-over-year reflecting the increased scope of the Company's exploration program as a result of the acquisition of European Goldfields.

Income tax expense
The effective tax rate for the third quarter of 2012 was 31% as compared with 36% in 2011. Foreign exchange fluctuations increased the effective tax rate in 2011 over the expected rate of 28% while withholding taxes on dividends from subsidiaries increased the effective tax rate in 2012.

Non-controlling interests
Non-controlling interests in the third quarter fell significantly from the third quarter of 2011 due to lower profits from Jinfeng and White Mountain as a result of decreased sales volumes.

Operations update

Summarized Operating Results	**3 months ended September 30,**		**9 months ended September 30,**	
	2012	**2011**	**2012**	**2011**
Gross profit – gold mining operations (millions)	$146.9	$193.2	$416.3	$438.5
Ounces produced – including Efemcukuru pre-commercial production	169,565	179,195	465,794	490,201
Cash operating costs ($ per ounce sold)	$493	$397	$475	$401
Total cash cost ($ per ounce sold)	$567	$463	$549	$467
Kisladag				
Gross profit – gold mining operations (millions)	$104.8	$109.7	$261.3	$226.1
Ounces produced	84,016	86,788	211,298	204,309
Cash operating costs ($ per ounce sold)	$334	$377	$335	$383
Total cash cost ($ per ounce sold)	$363	$401	$365	$406
Tanjianshan				
Gross profit – gold mining operations (millions)	$24.5	$25.0	$45.1	$63.3
Ounces produced	28,944	26,935	84,932	87,405
Cash operating costs ($ per ounce sold)	$396	$353	$411	$365
Total cash cost ($ per ounce sold)	$593	$541	$606	$552
Jinfeng				
Gross profit – gold mining operations (millions)	$8.9	$40.0	$39.2	$106.7
Ounces produced	25,821	44,202	86,686	139,116
Cash operating costs ($ per ounce sold)	$946	$424	$775	$418
Total cash cost ($ per ounce sold)	$1,044	$509	$855	$483
White Mountain				
Gross profit – gold mining operations (millions)	$8.7	$18.5	$28.5	$42.4
Ounces produced	16,342	21,270	55,921	59,371
Cash operating costs ($ per ounce sold)	$766	$475	$634	$475
Total cash cost ($ per ounce sold)	$813	$519	$679	$517
Efemcukuru[1]				
Ounces produced – pre-commercial production	14,442	-	26,957	-

[1] Gold concentrate produced at Efemcukuru prior to the date of commercial production (December 1, 2011) has been treated as pre-commercial production. At September 30, 2012, all of this concentrate had been processed.by the Kisladag Concentrate Treatment Plant. All costs and revenues associated with the production and sale of this concentrate are considered part of the capital expenditures of the project. Approximately 44,600 contained ounces in gold concentrate remain at the Kisladag site and 6,500 contained ounces in gold concentrate are in storage at the Efemcukuru site.

Gross profit from gold mining operations this quarter decreased $46.3 million, or 24% over the third quarter of 2011 due to a $31.1 million decrease in earnings from Jinfeng as well as a $9.8 million decrease in earnings from White Mountain. Jinfeng production fell 18,381 ounces as a result of delays in resuming full mining operations from the open pit, and the impact of lower grade stockpiled ore fed to production. White Mountain earnings and production were impacted by lower grade ore.

Kisladag

Operating Data	**3 months ended September 30,**		**9 months ended September 30,**	
	2012	**2011**	**2012**	**2011**
Tonnes placed on pad	3,245,700	3,520,220	9,645,766	9,055,906
Average treated head grade - grams per tonne (g/t)	1.05	0.90	1.16	0.94
Gold (ounces)				
- Produced	84,016	86,788	211,298	204,309
- Sold	83,750	87,121	210,905	204,345
Cash operating costs (per ounce sold)	$334	$377	$335	$383
Total cash costs (per ounce sold)	$363	$401	$365	$406
Financial Data (millions)				
Gold revenues	$139.8	$148.7	$350.1	$319.8
Depreciation and depletion	$3.4	$3.1	$8.7	$8.0
Gross profit – gold mining operations	$104.8	$109.7	$261.3	$226.1
Capital expenditure on mining interests	$26.3	$8.0	$77.6	$32.0

Gold production at Kisladag for the quarter was slightly lower year over year mainly due to the stacking and leaching schedule. Daily production rates increased during the quarter and we expect to see an increase in production during the fourth quarter. Lower cash costs during the quarter were largely a result of higher grade material being placed on the leach pad during the year. Capital spending during the quarter included construction activities associated with the Phase IV expansion and capitalized waste stripping.

Tanjianshan

Operating Data	**3 months ended September 30,**		**9 months ended September 30,**	
	2012	**2011**	**2012**	**2011**
Tonnes Milled	283,654	218,330	791,904	721,098
Average Treated Head Grade – g/t	3.55	4.25	3.75	4.12
Average Recovery Rate	83.0%	82.5%	82.8%	82.3%
Gold (ounces)				
- Produced	28,944	26,935	84,932	87,405
- Sold	28,944	26,935	84,932	87,405
Cash operating costs (per ounce sold)	$396	$353	$411	$365
Total cash costs (per ounce sold)	$593	$541	$606	$552
Financial Data (millions)				
Gold revenues	$48.5	$46.3	$142.1	$134.6
Depreciation and depletion	$6.6	$6.5	$20.2	$22.1
Gross profit – gold mining operations	$24.5	$25.0	$69.6	$63.3
Capital expenditure on mining interests	$8.2	$1.9	$15.1	$4.9

Gold production at Tanjianshan during the third quarter of 2012 was higher than the same quarter of 2011 as a result of increased mill throughput and slightly higher recovery rates, which offset the lower mill head grades. The increase in cash costs during the quarter was mainly due to the lower head grade. The major components of capital spending during the quarter were tailings dam construction and capitalized exploration.

Jinfeng

Operating Data	**3 months ended September 30,**		**9 months ended September 30,**	
	2012	**2011**	**2012**	**2011**
Tonnes Milled	356,575	379,352	10,62,891	1,161,739
Average Treated Head Grade – g/t	2.43	4.26	2.77	4.21
Average Recovery Rate	83.4%	88.6%	84.8%	87.7%
Gold (ounces)				
- Produced	25,821	44,202	86,686	139,116
- Sold	25,805	44,187	86,663	139,086
Cash operating costs (per ounce sold)	$946	$424	$775	$418
Total cash costs (per ounce sold)	$1,044	$509	$855	$483
Financial Data (millions)				
Gold revenues	$42.9	$74.4	$144.8	$212.2
Depreciation and depletion	$7.0	$11.9	$22.5	$38.4
Gross profit – gold mining operations	$8.9	$40.0	$48.1	$106.7
Capital expenditure on mining interests	$21.5	$9.2	$36.4	$19.3

Gold production at Jinfeng in the third quarter 2012 was lower than the same quarter of 2011 due to lower head grades and mill throughput. The open pit is currently in a waste stripping phase and lower grade stockpile material is being treated to make up for the lack of open pit ore. Cash costs were considerably higher due to the lower grade and mill throughput, as well as lower metallurgical recovery. The lower recovery was a result of the lower head grades. The major components of capital spending were underground mine development and waste stripping.

White Mountain

Operating Data	**3 months ended September 30,**		**9 months ended September 30,**	
	2012	**2011**	**2012**	**2011**
Tonnes Milled	210,114	191,157	556,266	523,926
Average Treated Head Grade – g/t	3.14	4.15	3.67	4.40
Average Recovery Rate	83.1%	81.9%	85.4%	81.4%
Gold (ounces)				
- Produced	16,342	21,270	55,921	59,371
- Sold	16,342	21,270	55,921	59,371
Cash operating costs (per ounce sold)	$766	$475	$634	$475
Total cash costs (per ounce sold)	$813	$519	$679	$517
Financial Data (millions)				
Gold revenues	$27.4	$35.8	$93.0	$91.0
Depreciation and depletion	$5.3	$6.2	$17.6	$17.8
Gross profit – gold mining operations	$8.7	$18.5	$37.3	$42.4
Capital expenditure on mining interests	$8.4	$6.7	$20.3	$11.8

Gold production at White Mountain in the third quarter of 2012 was lower than in the same period of 2011. This decrease was largely due to lower grades being mined and processed during the quarter, which also negatively affected the cash costs. Capital spending this quarter was mostly for underground development and expansion of the tailings dam.

Efemcukuru

Operating Data	3 months ended September 30,		9 months ended September 30,	
	2012	2011	2012	2011
Tonnes Milled	93,779	-	259,556	-
Average Treated Head Grade - g/t	9.31	-	9.38	-
Average Recovery Rate (to Concentrate)	93.3%	-	92.9%	-
Gold (ounces)				
- Produced – pre commercial production	14,442	-	26,957	-
- Sold – pre commercial production	10,524	-	22,905	-
Average Realized Gold Price				
Cash operating costs (per ounce sold)	-	-	-	-
Total cash costs (per ounce sold)	-	-	-	-
Financial Data (millions)				
Gold revenues	-	-	-	-
Depreciation and depletion	-	-	-	-
Gross profit – gold mining operations	-	-	-	-
Capital expenditure on mining interests	$25.0	$31.6	$54.5	$75.2

During the quarter Efemcukuru recovered approximately 27,005 ounces of gold in concentrate, as the mine and mill operated at expected levels. The paste fill system was commissioned during the quarter and the underground crushing system was completed and is now operational.

During the quarter 14,442 ounces were poured as pre-commercial production during the commissioning and testing of the Kisladag concentrate treatment plant. In September, the concentrate treatment plant was not being operated pending modifications to the circuit. We plan to sell the existing concentrate and future concentrate production to a third party until the modifications are completed. At the end of the quarter there were approximately 51,000 ounces of gold contained in concentrate.

Capital spending this quarter was mostly for underground development and underground infrastructure as well as completion and testing of the Kisladag concentrate treatment facility.

Vila Nova

Operating Data	3 months ended September 30,		9 months ended September 30,	
	2012	2011	2012	2011
Tonnes Processed	161,859	148,220	528,024	438,315
Iron Ore Produced	139,553	127,721	456,419	379,738
Average Grade (% Fe)	63.5%	63.5%	63.5%	64.1%
Iron Ore Tonnes				
- Sold	123,180	170,781	383,785	299,620
Average Realized Iron Ore Price	$59	$122	$77	$127
Cash Costs (per tonne produced)	$ 56	$ 64	$ 61	$ 60
Financial Data (millions)				
Revenues	$7.3	$20.9	$29.4	$37.9
Depreciation and depletion	$1.1	$1.5	$3.2	$2.8
Gross profit (loss) from mining operations	($0.8)	$8.6	$2.8	$20.7
Capital expenditure on mining interests	$0.4	$0.5	$0.7	$0.9

Iron ore production in the third quarter of 2012 increased at Vila Nova compared to the same quarter of 2011, mainly as a result of improved efficiencies in both the mine and treatment plant. Three shipments were completed in the quarter. These were 2 lump shipments and one sinter shipment.

Stratoni

Operating Data	3 months ended September 30,		9 months ended September 30,	
	2012	2011	2012	2011
Tonnes ore mined (wet)	58,591	NA	144,062	NA
Tonnes ore processed (dry)	55,911	NA	136,785	NA
Pb grade (%)	5,96%	NA	6,22%	NA
Zn grade (%)	9,69%	NA	9,74%	NA
Ag grade (g/t)	155	NA	163	NA
Tonnes of concentrate produced	14,084	NA	35,224	NA
Tonnes of concentrate sold	15,891	NA	37,281	NA
Average realized concentrate price (per tonne)	$913	NA	$899	NA
Cash Costs (per tonne of concentrate sold)	$717	NA	$679	NA
Financial Data (millions)				
Revenues	$14.5	NA	$34.4	NA
Depreciation and depletion	$2.0	NA	$4.7	NA
Gross profit from mining operations	$1.2	NA	$4.4	NA
Capital expenditure on mining interests	$0.5	NA	$2.6	NA

During the third quarter, Stratoni mined 58,591 tonnes of run-of-mine ore and produced 14,084 tonnes of lead and zinc concentrate at an average cash cost of $717 per tonne of concentrate sold. During the same period, Stratoni sold 15,891 tonnes of concentrate at an average price of $913 per tonne (4,719 tonnes of lead concentrate at an average price of $1,473 per dry metric tonne and 11,172 tonnes of zinc concentrate at an average price of $646 per dry metric tonne, minus prior period finalised sales adjustments). Stratoni operating and financial data for the 9 months period of 2012 shown in the table above reflect only operations subsequent to February 24, 2012, the date of the EGU acquisition.

Development project update

Eastern Dragon

At Eastern Dragon work continued during the quarter on the preparation of the Project Permit Approval (PPA) to be submitted to the National Development and Reform Commission (NDRC). We anticipate that the application will be submitted by the end of 2012. Construction activities have been suspended until the PPA is approved.

Tocantinzinho

The Tocantinzinho project was granted the Preliminary Environmental License (PEL) in September, an important milestone in the permitting phase. The PEL confirms the environmental feasibility of the project and allows the Company to apply for the Construction License, the final permit needed for construction to commence. Work on site was limited to environmental and hydrology field work in the immediate area, along with geotechnical drilling of the proposed road corridor. The feasibility study is well advanced and will be completed by the end of 2012.

Perama Hill

Drilling activity at the Perama site continued throughout the quarter. Geotechnical drill holes have been drilled in the plant site to support geotechnical design analysis for civil structures and foundations. In addition drilling in the open pit area has been carried out to obtain drill core for geotechnical analysis for pit slope stability design. Processing of the Perama Environmental Impact Assessment (EIA) application through the Ministry of Environment (MOE) continues, with a decision expected before the end of the year. Public meetings have been held in the district as prescribed by the MOE. All indications from the government agencies remain positive towards the project.

Olympias

Rehabilitation of the Olympias underground mine and processing plant continued during the quarter. In the mine, 406 meters of underground access was rehabilitated or developed. Development of the tunnel linking Stratoni and Olympias progressed well during the quarter, with 108 meters of advance. Metallurgical testwork to evaluate the proposed new processing facility at Stratoni continued during the third quarter. Commissioning of the Olympias processing plant was on-going during the quarter.

Skouries

Site work at Skouries during the quarter consisted mainly of tree cutting at the plant site, construction of access roads, and earthworks for various site infrastructures.

Certej

The Environmental Permit for Certej was approved by the Regional Department of Environment during the quarter. Concentrate samples from flotation testwork were completed and shipped to Australia. These samples represent the four major ore types at Certej and will be used to do laboratory scale testing of the Albion process. This testwork will be completed by the end of 2012. Construction work advanced during the quarter on the temporary power line to site and the water pumping station on the Mures River.

Exploration update

A total of 54,300 metres of exploration drilling were completed during the quarter at our exploration projects and mine operations in Greece, Romania, Turkey, Brazil, and China. With 132,800 meters of drilling completed year-to-date, we are on track to complete our 2012 exploration programs according to plan.

Turkey

In Turkey, drilling during the quarter continued at the Efemçukuru minesite, and commenced at Kisladag and at three reconnaissance projects (Sebin, Dolek, and Gaybular).

Exploration drilling resumed at the Kisladag minesite late in the quarter, testing conceptual targets defined by a combination of three-dimensional induced polarization/resistivity surveys, detailed ground magnetics, and soil geochemistry anomalies. This program is directed towards identifying possible mineralized satellite intrusions to the main porphyry system.

Six drillholes were completed at the Sebin porphyry/epithermal prospect in the Pontide Belt. The project area covers a large surface alteration zone with locally anomalous copper, molybdenum and gold values, but no significant mineralization has been intersected to date in drillholes. Drilling also began at the Dolek prospect in the Pontide Belt, and at the Gaybular project in Western Turkey.

At Efemcukuru 32 drillholes (8,440 metres) were completed on the Kestane Beleni northwest extension (KBNW), South Ore Shoot (SOS), and Kokarpinar vein targets. At KBNW, drilling defined a new shallowly northwest-plunging lower zone of mineralization which has been traced for nearly 400 metres along strike and remains open to the northwest. At the SOS, drilling identified high gold grades at 50 to 75 metre stepouts from previous mineralized holes. At Kokarpinar, limited drillsite availability meant that drilling was focused on shallow targets on the central and southern part of the vein. Selected drilling results are summarized in the table below:

Selected Q3 drilling results, Efemcukuru

Hole ID	From(m)	To (m)	Interval(m)	Au (g/t)	Ag (g/t)	Pb (%)	Zn (%)
Kestane Beleni Northwest Extension (lower zone)							
KV-433	215.15	216.50	1.35	29.70	24.10	0.88	2.02
KV-444	170.86	172.58	1.72	27.46	19.61	1.61	2.23
KV-447	240.27	241.48	1.21	65.59	63.40	2.26	4.56
KV-448	183.83	186.20	2.37	7.39	37.90	2.88	1.20
South Ore Shoot (deep step-out drilling)							
KV-496	223.00	224.50	1.50	4.95	3.70	0.01	0.03
KV-497	297.60	300.91	3.31	15.67	19.78	1.00	1.73
KV-501	282.50	287.20	4.70	11.80	8.00	0.02	0.03
including	286.10	287.20	1.10	44.80	26.70	0.01	0.02
Kokarpinar Vein							
KV-459	222.55	227.50	4.95	6.84	(1)	(1)	(1)
KV-423	225.20	226.00	0.80	283.00	110.00	0.03	0.11

(1) Assays not yet completed.

Greece

Drilling continued at the Piavitsa prospect, with seven holes completed and approximately 7,500 metres drilled during the quarter. The primary target at Piavitsa is polymetallic, gold-silver rich, carbonate replacement sulfide mineralization along the Stratoni fault zone, similar to that typical of the Olympias deposit. All 23 drillholes completed in this year's program have intersected the fault zone near the projected depth, and have cut intervals in the fault zone with some combination of massive sulfide, disseminated sulphide, or oxide material. Selected drilling results are summarized in the table below:

Selected Q3 drilling results, Piavitsa Project

Hole ID	From(m)	To (m)	Interval(m)	Au (g/t)	Ag (g/t)	Pb (%)	Zn (%)
Stratoni Fault replacement-style zones							
PHG065	436.00	440.00	4.00	2.05	19.20	0.35	0.46
PHG066	207.00	210.00	3.00	9.57	18.10	0.02	0.03
PHG067A	62.00	66.00	4.00	2.12	3.50	0.02	0.05
and	81.00	83.00	2.00	5.33	4.20	0.00	0.01
PHG070	209.00	232.00	23.00	4.35	85.30	2.92	1.68
including	215.00	223.00	8.00	11.89	228.40	8.27	4.65
PHG071	160.70	168.20	7.50	1.21	14.30	0.19	0.76
PHG072	182.00	188.00	6.00	1.38	7.70	0.06	0.11
PHG073	42.00	54.00	12.00	2.21	37.00	0.44	1.70
including	48.00	52.00	4.00	4.98	49.10	0.98	3.43
PHG074	80.00	87.00	7.00	1.20	7.40	0.02	0.23
PHG076	150.00	156.70	6.70	1.80	37.10	0.90	2.76
	184.90	185.40	0.50	42.40	25.00	0.11	0.29
Hangingwall epithermal vein zones							
PHG078	86.70	107.00	20.30	2.32	11.40	0.31	0.56
	142.00	164.00	22.00	1.61	3.10	0.06	0.09
	197.80	210.00	12.20	1.00	13.90	0.06	0.04

At Skouries, 17 drillholes (6,500 metres) were completed in the quarter, representing roughly half of the planned infill and confirmation programs. Infill drillholes have documented low but consistent copper and gold grades within the in-pit inferred resource halo of the deposit including 94.0 metres at 0.3 grams per tonne gold and 0.27% copper in hole SOP-99; and 92.0 metres at 0.32 grams per tonne gold and 0.31% copper in hole SOP-100. Confirmation drillholes have intersected the intensely stockwork veined potassically-altered deposit core, with copper and gold grades similar to that predicted by the resource model.

At the Fisoka copper-gold porphyry prospect, two holes were completed during the quarter on the northern stock, and drilling has now shifted to the untested central stock area. The northern stock drilling further defined the shallow supergene zone outlined in previous drilling programs.

At Perama Hill geotechnical, metallurgical and infill drilling was conducted on the main deposit and infrastructure sites. Exploration drilling of targets outside of the existing resource model and at Perama South will commence in the fourth quarter of 2012.

Romania

At the Certej deposit, drill programs were completed during the quarter in the West Pit and Link Zone target areas. In the West Pit area, drilling tested for extensions of the high-grade Hondol and Kaiser vein systems, which were historically exploited in underground openings. Although this drilling failed to identify continuous high-grade veins, it outlined an approximately 50 metre wide, tabular west by northwest-striking zone of lower grade material which will be further tested in 2013. The Link Zone program, targeting underdrilled areas of the deposit between the West and Main zones, was completed during the quarter with 14 holes (5,700 metres) drilled. Most of these holes intersected zones of strong gold mineralization, which has a positive impact on the deposit resource model.

China

Exploration drilling in China during the quarter included projects in the Guizhou, Jilin, and Qinghai regions.

In Guizhou, exploration drilling was conducted within the Jinfeng mining license, at the nearby Shizhu prospect, and at the Weiruo prospect (Jinluo exploration license). At the Jinfeng deposit, exploration drilling continued to focus on the F3, F6, and F7 mineralized structures from both surface and underground drill locations. A total of 19 holes representing approximately 5,700 metres of drilling were completed. The surface drilling program continues to produce high grade intercepts associated with the F6 structure, with notable intercepts during the quarter including 16.0 metres at 16.49 grams per tonne gold (HDDS0275); 6.0 metres at 15.59 grams per tonne gold (also HDDS0275), and 22.0 metres at 5.14 grams per tonne gold (HDDS0282).

In Qinghai (Tanjianshan), the Qinglongtan North and Xijingou drilling programs were completed during the quarter, with 9 drillholes and 27 drillholes respectively. At Qinglongtan North, drilling focused on previously untested areas down dip and along strike from the northern end of the previously mined deposit. Several of these holes intersected strong mineralization, including intervals of 26.0 metres at 9.24 grams per tonne gold (QD279) and 9.1 metres at 2.68 grams per tonne gold (QD278). These new intercepts may represent a new high grade gold zone lying beneath the known deposit, and further drill testing is planned for the fourth quarter of 2012. At Xinjingou, step-out drilling tested for extensions to the known zones of high grade mineralization. Notable results from this program include 11.8 metres at 11.51 grams per tonne gold (XD073); 4.0 metres at 15.79 grams per tonne gold (XD075), and 9.0 metres at 8.01 grams per tonne gold (also XD075). Results are being compiled to determine if further drilling is justified at Xijingou. Late in the quarter, a second phase of drilling was initiated at the Jinlonggou deposit, testing a variety of near-pit structurally-defined targets.

In the Jilin region (White Mountain), drilling was conducted at the Dongdapo, Xiaoshiren, and Zhenzhumen prospect areas. No significant results have been obtained to date.

Brazil

No drilling was conducted during the quarter at the Tocantinzinho project. Exploration activities focused on reconnaissance-level evaluation of the adjacent Rubens Zilio license area through systematic soil sampling and prospecting.

At the Agua Branca project (35 kilometres south of Tocantinzinho) the 2012 drilling program was concluded, with 15 drillholes during the quarter testing for along-strike extensions of the Camarao zone.

Although the mineralized zone demonstrates continuity to the southwest, grades are erratic, and no significant wide intercepts were obtained. Additional auger drilling, mapping, and rock sampling programs are underway to generate new drill targets at Agua Branca.

Fieldwork commenced during the quarter at the new Chapadinha project, which we are exploring under an option agreement. The Chapadinha project covers an area with extensive garimpo workings exploiting narrow veins high gold grades. Our work program is directed towards defining drill targets that will assess the potential of the area for a bulk-tonnage style deposit.

Quarterly results

millions (except per share amounts)

	2012	2012	2012	2011	2011	2011	2011	2010
	Third quarter	**Second quarter**	**First quarter**	**Fourth quarter**	**Third quarter**	**Second quarter**	**First quarter**	**Fourth quarter**
Total revenues	$281.8	$244.2	$271.5	$303.3	$326.1	$252.6	$219.2	$213.0
Net income	$75.8	$46.6	$67.9	$88.8	$102.5	$74.9	$52.5	$45.2
Earnings per share								
- basic	$0.11	$0.07	$0.11	$0.16	$0.19	$0.14	$0.10	$0.08
- diluted	$0.11	$0.07	$0.11	$0.16	$0.19	$0.14	$0.10	$0.08

Non-IFRS measures

Throughout this document, we have provided measures prepared in accordance with IFRS, as well as some non-IFRS performance measures as additional information for investors who also use them to evaluate our performance.

Since there is no standard method for calculating non-IFRS measures, they are not a reliable way to compare us against other companies. Non-IFRS measures should be used along with other performance measures prepared in accordance with IFRS. We have defined our non-IFRS measures below and reconciled them with the IFRS measures we report.

Cash operating cost and total cash cost
The table below reconciles cash operating cost from our gold mining operations to production costs. We calculate costs according to the Gold Institute Standard. Total cash cost is the sum of cash operating cost, royalty expense and production tax expense.

Reconciliation of cash operating costs to production costs	**2012**	**2011**	**2012**	**2011**
millions (except for gold ounces sold and cash operating cost per ounce sold)	**Q3**	**Q3**	**YTD**	**YTD**
Production costs – excluding Vila Nova and Stratoni (from consolidated income statement)	$89.1	$84.3	$244.7	$232.8
Less:				
By-product credits and other adjustments	$(1.3)	$(1.3)	$(4.2)	$(3.9)
Total Cash Cost	$87.8	$83.0	$240.5	$228.9
Royalty expense and production taxes	$(11.4)	$(11.8)	$(32.2)	$(32.5)
Cash operating cost	$76.4	$71.2	$208.3	$196.4
Gold ounces sold	154,841	179,513	438,421	490,207
Total cash cost per ounce sold	$567	$463	$549	$467
Cash operating cost per ounce sold	$493	$397	$475	$401

Cash flow from mining operations before changes in non-cash working capital
We use *cash flow from mining operations before changes in non-cash working capital* to supplement our consolidated financial statements, and calculate it by not including the period to period movement of non-cash working capital items, like accounts receivable, advances and deposits, inventory, accounts payable and accrued liabilities.

Gross profit from gold mining operations
We use *gross profit from gold mining operations* to supplement our consolidated financial statements, and calculate it by deducting operating costs and depreciation, depletion and amortization directly attributable to gold mining operations from gross revenues directly attributable to gold mining operations.

These measures may differ from those used by, and may not be comparable to such measures as reported by, other issuers. We disclose these measures, which have been derived from our financial statements and applied on a consistent basis, because we believe they are of assistance in understanding the results of our operations and financial position and are meant to provide further information about our financial results to investors.

Operating cash flow, financial condition and liquidity

Operating activities before changes in non-cash working capital generated $110.8 million in cash this quarter, compared to $159.7 million in the same quarter of 2011. The decrease in cash flow year-over-year was due to lower operating cash flow from our mining operations.

Capital expenditures
We invested $136.8 million in capital expenditures, mine development, mining licences and other assets this quarter.

Mine development expenditures totalled $39.5 million:
- $5.2 million at Eastern Dragon
- $4.1 million at Tocantinzinho
- $2.8 million at Perama Hill
- $14.7 million at Olympias
- $10.6 million at Skourias (including capitalized exploration at Piavitsa and Fisoka)
- $2.1 million at Certej

Spending at our producing mines totalled $89.9 million:
- $26.3 million at Kisladag, mostly related to the Phase IV expansion and capitalized waste stripping
- $25.0 million at Efemcukuru mostly on mine development and completion of start-up
- $21.5 million at Jinfeng, mostly on underground development and waste stripping
- $8.4 million at White Mountain, mainly related to underground mine development and tailings dam expansion
- $8.2 million at Tanjianshan, mainly related to tailings dam expansion and sustaining capital
- $0.5 million at Stratoni

We also spent $6.9 million on land acquisition costs in Turkey, and $0.5 million related to fixed assets for our corporate offices in Canada and China.

Liquidity and capital resources

(millions)	September 30, 2012	December 31, 2011
Cash and cash equivalents	$271.4	$393.8
Working capital	$322.7	$408.8
Restricted collateralized accounts	$36.8	$55.4
Debt	$95.6	$81.0

Chinese regulations governing cash movements within and injected into the country require that our existing Chinese debt ($45.6 million) only be paid from cash flows generated from our Chinese operations that are party to the loans.

Cash and cash equivalents of $194.6 million are held by the Company's operating entities in China and Turkey, where the cash was generated. No withholding tax liability has been recognized for the potential repatriation of these funds. If the cash held in these entities is repatriated by way of dividends to the parent company, withholding taxes would be due on the amounts at the rate of 10% for Turkey, and 5% to 10% for China.

Management believes that the working capital at September 30, 2012, together with future cash flows from operations, the unused portion of the HSBC revolving credit facility (discussed below), and, where appropriate, selected financing activities, is sufficient to support our planned and foreseeable commitments.

Contractual obligations

(millions)	2012 $	2013 $	2014 $	2015 $	2016 and later $	Total $
Debt	14.0	31.6	-	50.0	-	95.6
Capital leases	-	0.1	-	-	-	0.1
Operating leases	5.0	6.7	4.2	3.5	3.4	22.8
Purchase obligations	112.9	76.7	14.2	13.2	12.6	229.6
Totals	131.9	115.0	18.4	66.7	16.0	348.1

The table does not include interest on debt. Purchase obligations during the period 2013 to 2016 include $12.6 million per year in minimum payments required under iron ore railway and port handling agreements associated with Vila Nova.

As at September 30, 2012, Hellas Gold had entered into off-take agreements pursuant to which Hellas Gold agreed to sell a total of 11,270 dry metric tonnes of zinc concentrates and 8,329 dry metric tonnes of lead/silver concentrates cumulative through the financial year ending December 31, 2013.

In April 2007, Hellas Gold agreed to sell to Silver Wheaton (Caymans) Ltd. (Silver Wheaton) all of the silver metal to be produced from ore extracted during the mine-life within an area of approximately seven square kilometres around Stratoni, up to 15 million ounces, or 20 million ounces if additional silver is processed through the Stratoni mill from areas other than the current producing mine. The sale was made in consideration of a prepayment to Hellas Gold of $57.5 million in cash, plus a fee per ounce of payable silver to be delivered to Silver Wheaton of the lesser of $3.90 and the prevailing market price per ounce. As at September 30, 2012 approximately 4.9 million ounces of silver have been delivered of the original 15 million ounce commitment.

In May 2012, the Company, in connection with Hellas, entered into a unsecured letter of guarantee in favour of the Greek Ministry of Environment, Energy and Climate Change, in the amount of Euro50.0 million, as security for the due and proper performance of rehabilitation work committed in connection with the Environmental Impact Assessment approved for the Kassandra Mines. The Letter of Guarantee is renewed annually and expires on July 26, 2026. The Letter of Guarantee has an annual fee of 0.57 basis points.

Debt

Significant changes in our debt from that disclosed in our December 31, 2011 annual MD&A and consolidated financial statements are as follows:

Eastern Dragon HSBC revolving loan facility (Facility)

In February, 2012, the Facility was reviewed by the bank and was extended to November 30, 2012. The interest rate on this loan as at September 30, 2012 was 6.16%.

As at September 30, 2012, RMB 65.0 million ($10.3 million) was outstanding on this loan.

Eastern Dragon China Mercantile Bank (CMB) line of credit loan

In January 2012, the term of the CMB line of credit loan was extended to January 2013 and the annual management fee of 10% of the interest accrued on the outstanding amount paid quarterly was removed. In addition, the floating interest rate is now adjusted monthly at the prevailing lending rate stipulated by the People's Bank of China for working capital loans. This loan is collateralized by way of a restricted cash deposit as funding of the irrevocable letter of credit issued by Sino Gold to CMB. The collateral was increased in January 2012 from $52.3 million to $56.5 million. The interest rate on this loan as at September 30, 2012 was 6.00%.

In September 2012, we repaid RMB 120.0 million ($18.9 million), releasing $20.0 million of the restricted cash balance. At September 30, 2012, RMB 200.0 million ($31.5 million) remained outstanding.

Jinfeng construction loans

During the year Jinfeng made its quarterly scheduled payments totalling RMB 105.0 million ($16.6 million) on the construction loan, reducing the balance remaining to RMB 25.0 million ($3.9 million) at September 30, 2012.

HSBC revolving credit facility

In October 2011, the Company entered into a $280.0 million revolving credit facility with HSBC ("the credit facility") and a syndicate of four other banks. The credit facility matures on October 12, 2015 and is secured by the shares of SG Resources and Tuprag, wholly owned subsidiaries of the Company. The interest rate on this loan as at September 30, 2012 was 1.97%.

The prepaid loan cost on the balance sheet relating to the credit facility as at September 30, 2012 was $2.4 million. As at September 30, 2012, $50.0 million had been drawn down on the credit facility.

Entrusted loan

In November 2010, Eastern Dragon, HSBC Bank (China) and Qinghai Dachaidan Mining Ltd ("QDML"), our 90% owned subsidiary, entered into a RMB 12.0 million ($1.9 million) entrusted loan agreement, which was subsequently increased to RMB 180.0 million ($28.4 million) in September 2011, and then increased to RMB 620.0 million ($97.8 million) in September 2012. Under the terms of the entrusted loan, QDML with its own funds entrusts HSBC Bank (China) to provide a loan facility in the name of QDML to Eastern Dragon.

The entrusted loan can be drawn down in tranches. Each drawdown bears interest fixed at the prevailing lending rate stipulated by the People's Bank of China on the date of drawdown. Each draw down has a term of three months and can be rolled forward at the discretion of QDML. The interest rate on this loan as at September 30, 2012 was 4.59%.

As at September 30, 2012, RMB 323.0 million ($50.9 million) had been drawn under the entrusted loan. Subsequent to September 30, 2012, an additional RMB 10.0 million ($1.6 million) was drawn under this loan. The entrusted loan has been recorded on a net settlement basis in our financial statements.

Dividends
On August 24, 2012 Eldorado paid $43.3 million (Cdn$0.06 per share) in dividends to shareholders of record. Year to date Eldorado has paid $93.1 million in dividends.

Equity
This quarter we received net proceeds of $3.4 million for issuing 623,417 common shares related to stock options and warrants being exercised. Year to date we received net proceeds of $20.3 million for issuing 3,113,626 common shares related to stock options and warrants being exercised.

We may make minor accounting adjustments to these figures before they are presented in future consolidated financial statements.

Common shares outstanding	
- as of October 25, 2012	713,828,522
- as of September 30, 2012	713,607,356
Share purchase options	15,390,693
- as of October 25, 2012	
(Weighted average exercise price per share: $13.70 Cdn)	

Other information

Initial adoption of accounting policy

Revenues from the sale of concentrate are recognised when the risks and rewards of ownership have been transferred to the customer and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received.

A number of the Company's concentrate products are sold under pricing arrangements where final prices are determined by quoted market prices in a period subsequent to the date of sale. These concentrates are provisionally priced at the time of sale based on forward prices for the expected date of the final settlement. The provisionally priced sales of concentrate contain an embedded derivative, which does not qualify for hedge accounting. These embedded derivatives are recognized at fair value through revenue until the date of final price determination. Subsequent variations in the price are recognized as revenue adjustments as they occur until the price is finalized.

New accounting developments

Accounting standards effective in 2013 and 2015 are disclosed in the Company's consolidated financial statements for the year ended December 31, 2011.

Internal controls over financial reporting

Eldorado's management is responsible for establishing and maintaining adequate internal control over financial reporting. Any system of internal control over financial reporting, no matter how well designed, has inherent limitations. As a result, even those systems determined to be effective can only provide reasonable assurance regarding the preparation and presentation of our financial statements. There have been no changes in our internal control over financial reporting in the third quarter of 2012 that have materially affected, or are reasonably likely to materially affect, internal control over financial reporting.

For accounting purposes, we acquired control of EGU on February 24, 2012. As permitted by the Sarbanes-Oxley Act and applicable Canadian Securities Commission rules related to business acquisitions, we will exclude EGU operations from our annual assessment of internal controls over financial reporting for the year ending December 31, 2012.

Qualified Person

Except as otherwise noted, Norman Pitcher, P. Geo., our President, is the Qualified Person under NI 43-101 responsible for supervising the preparation of the scientific or technical information contained in this MD&A and verifying the technical data disclosed in this document relating to our operating mines and development projects.

Forward-looking information and risks

This MD&A includes statements and information about what we expect to happen in the future. When we discuss our strategy, plans and future financial and operating performance, or other things that have not yet happened in this review, we are making statements considered to be *forward-looking information* or *forward-looking statements* under Canadian and United States securities laws. We refer to them in this document as *forward-looking information*.

Key things to understand about the forward-looking information in this document:

- It typically includes words and phrases about the future, such as: *plan, expect, forecast, intend, anticipate, estimate, budget, scheduled, may, could, would, might, will.*
- Although it represents our current views, which we consider to be reasonable, we can give no assurance that the forward-looking information will prove to be accurate.
- It is based on a number of assumptions, including things like the future price of gold, anticipated costs and spending, and our ability to achieve our goals.
- It is also subject to the risks associated with our business, including
  - the changing price of gold and currencies,
  - actual and estimated production and mineral reserves and resources,
  - the speculative nature of gold exploration,
  - risks associated with mining operations and development,
  - regulatory and permitting risks,
  - acquisition risks, and
  - other risks that are set out in our annual information form and MD&A.
- If our assumptions prove to be incorrect or the risks materialize, our actual results and events may vary materially from what we currently expect.

To understand our risks you should review our annual information form, which includes a more detailed discussion of material risks that could cause actual results to differ significantly from our current expectations.

Forward-looking information is designed to help you understand management's current views of our near and longer term prospects, and it may not be appropriate for other purposes. We will not necessarily update this information unless we are required to by securities laws.