

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



sinogold

SINO GOLD MINING LIMITED

澳 華 黃 金 有 限 公 司*

(incorporated in the New South Wales, Australia with limited liability)

(STOCK CODE: ASX: SGX, SEHK: 1862)

*(a company incorporated in New South Wales, Australia with limited liability
under the Australian Corporations Act 2001 (Commonwealth of Australia))*

29 October 2009

Scheme Booklet Released to Sino Gold Shareholders and Optionholders

On 26 August 2009, the Boards of Sino Gold Mining Limited ("Sino Gold") (ASX: SGX, SEHK: 1862) and Eldorado Gold Corporation ("Eldorado") (TSX: ELD) (NYSE: EGO) announced that they had signed an agreement under which Eldorado proposes to acquire all of the Sino Gold shares that it does not already own ("Merger").

Another major milestone in the transaction has been achieved, with the Supreme Court of New South Wales making orders for the convening of the meetings of Sino Gold shareholders and optionholders (both "securityholders") to vote on the schemes of arrangement ("Schemes") to give effect to the Merger.

Further details are in the attached announcement and Scheme Booklet.

By Order of the Board
SINO GOLD MINING LIMITED

James Edward Askew
Chairman

As at the date of this announcement, the directors of Sino Gold Mining Limited are:

Executive directors:

Mr. Jacob Klein
Mr. Hanjing Xu

Independent non-executive directors:

Mr. James Edward Askew
Mr. Peter William Cassidy
Mr. Brian Henry Davidson
Mr. Peter John Housden
Mr. Liangang Li

** for identification purposes only*



29 October 2009

Scheme Booklet Released to Sino Gold Shareholders and Optionholders

On 26 August 2009, the Boards of Sino Gold Mining Limited ("Sino Gold") (ASX: SGX, SEHK: 1862) and Eldorado Gold Corporation ("Eldorado") (TSX: ELD) (NYSE: EGO) announced that they had signed an agreement under which Eldorado proposes to acquire all of the Sino Gold shares that it does not already own ("Merger").

Another major milestone in the transaction has now been achieved, with the Supreme Court of New South Wales making orders for the convening of the meetings of Sino Gold shareholders and optionholders (both "securityholders") to vote on the schemes of arrangement ("Schemes") to give effect to the Merger.

Jake Klein, Sino Gold Chief Executive Officer, commented:

"This is an important milestone in the proposed Merger that will lead to the creation of an exciting intermediate size gold producer with a strong financial position and unhedged production. This transaction brings significant benefits to the Sino Gold securityholders and Grant Samuel, the Independent Expert, has concluded that the Schemes are in the best interests of Sino Gold securityholders."

The Sino Gold directors unanimously recommend that Sino Gold securityholders vote in favour of the Schemes, in the absence of a superior proposal.

Scheme Booklet

The Scheme Booklet setting out information to assist Sino Gold securityholders to decide how to vote in relation to the proposed Merger has been registered with the Australian Securities & Investments Commission and filed with the Australian Securities Exchange. A copy of the Scheme Booklet is attached. Scheme Booklets are expected to be despatched to all Sino Gold securityholders by Tuesday, 3 November 2009. A copy of the Scheme Booklet may also be found on the Sino Gold website (www.sinogold.com.au).

Sino Gold securityholders should read the entire Scheme Booklet, which sets out information about the proposal, including the benefits and the potential disadvantages and risks, before deciding how to vote.

Independent Expert

Grant Samuel & Associates Pty Limited ("Grant Samuel"), the Independent Expert, has estimated that the full underlying value of Sino Gold, including a control premium, is in the range A\$5.98–A\$6.76 per Sino Gold share. Grant Samuel has attributed value of A\$6.66–A\$7.24 per Sino Gold share to the scheme consideration, on the basis of recent Eldorado share prices in the range of C\$11.50–C\$12.50 per share. The value attributed to the scheme consideration thus falls at the top end of the valuation range for Sino Gold.

Grant Samuel has accordingly concluded that the Schemes are fair and reasonable, and therefore in the best interests of Sino Gold securityholders. Grant Samuel's Independent Expert's Report is included in annexure A to the Scheme Booklet.

Scheme Meetings

The Scheme Meetings will be held at the Hilton Sydney, Level 2, Function Room 3, 488 George Street, Sydney, Australia on Wednesday, 2 December 2009 from 10.00am. Sino Gold securityholders who are registered on the Sino Gold Share Register or Option Register at 5.00pm on Monday, 30 November 2009 may attend and vote at the Share Scheme Meeting.

Sino Gold securityholders who are entitled to vote at a Scheme Meeting and wish to appoint a proxy to attend and vote on their behalf should complete and return the proxy form for the Scheme Meeting that accompanies the Scheme Booklet. All proxy voting instructions must be received no later than 48 hours before the commencement of the Scheme Meetings. Sino Gold securityholders are encouraged to lodge proxy voting instructions with Sino Gold's share registry by 10am on Monday, 30 November 2009 in accordance with the directions set out in the proxy form(s).

For further information regarding Sino Gold please contact:

Investor Enquiries: Jake Klein, CEO or Roger Howe, Investor Relations
+61 2 8259 7000, info@sinogold.com.au

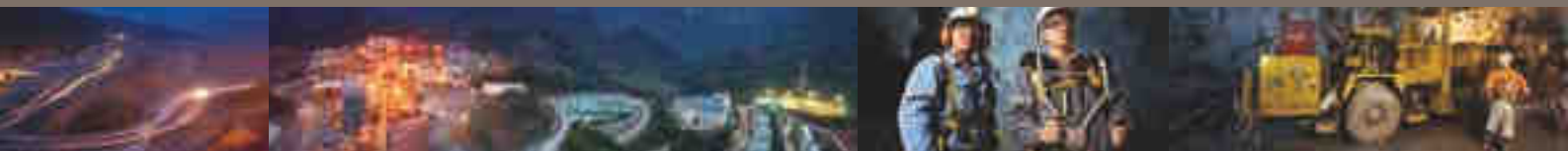
Media Enquiries: Kate Kerrison
+61 2 6746 3221, kate@katekerrison.com.au

Scheme Booklet

For schemes of arrangement implementing the proposed merger between Sino Gold Mining Limited and Eldorado Gold Corporation.

Your directors unanimously recommend that you vote in favour of the scheme(s) of arrangement relevant to you, in the absence of a Superior Proposal.

Vote in favour



This is an important document that requires your immediate attention. You should read it in full before deciding how you will vote on the scheme(s) of arrangement relevant to you. If you do not know what to do, you should promptly consult your financial, legal, tax or other professional adviser.

Financial Adviser to Sino Gold



Australian Legal Adviser to Sino Gold



Important Information

Explanatory statement

This booklet includes the explanatory statement for each Scheme required by section 412(1) of the Corporations Act.

Responsibility for information

Sino Gold Mining Limited (**Sino Gold**) has prepared, and is responsible for, the Sino Gold Information in this booklet.

Eldorado Gold Corporation (**Eldorado**) has prepared, and is responsible for, the Eldorado Information in this booklet.

Grant Samuel has prepared, and is responsible for, the Independent Expert's Report. None of Sino Gold, Eldorado, their respective subsidiaries and their respective directors, officers, employees and advisers (other than Grant Samuel) assume any responsibility for the accuracy or completeness of the information in the Independent Expert's Report.

KPMG Transaction Services has prepared, and is responsible for, the Investigating Accountant's Report. None of Sino Gold, Eldorado, their respective subsidiaries and their respective directors, officers, employees and advisers assume any responsibility for the accuracy or completeness of the information in the Investigating Accountant's Report.

ASIC, ASX and the Court

A copy of this booklet has been registered by ASIC for the purposes of section 412(6) of the Corporations Act. ASIC has been given the opportunity to comment on this booklet in accordance with section 411(2)(b) of the Corporations Act. Neither ASIC nor any of its officers takes any responsibility for the contents of this booklet.

ASIC has been requested to provide a statement, in accordance with section 411(17)(b) of the Corporations Act, that it has no objection to the Schemes. If ASIC provides that statement, it will be produced to the Court at the Second Court Hearing.

A copy of this booklet has been lodged with ASX. Neither ASX nor any of its officers takes any responsibility for the contents of this booklet.

A copy of this booklet has been lodged with Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited, which take no responsibility for the contents of this booklet, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this booklet.

An order by the Court that the Scheme Meetings be convened does not indicate that the Court has approved or will approve the Schemes, nor should it be treated as an endorsement by the Court of, or any other expression of opinion by the Court on, the Schemes. In addition, the Court is not responsible for the contents of this booklet.

Investment decisions

This booklet does not take into account the investment objectives, financial situation, tax position or particular needs of any securityholder or any other person. This booklet should not be relied upon as the sole basis for any investment decisions in relation to Sino Gold securities, Eldorado securities or any other securities, and independent financial, legal, tax and other professional advice should be sought before making any such investment decision.

Sino Gold securityholders outside Australia

This booklet has been prepared having regard to Australian disclosure requirements. These requirements may be different from those in other jurisdictions.

This booklet does not constitute an offer to Sino Gold securityholders or a solicitation of an offer from Sino Gold securityholders in any jurisdiction.

Restrictions in jurisdictions outside Australia may make it impractical or unlawful for Eldorado securities to be issued under a Scheme to, or received under a Scheme by, Sino Gold securityholders in those jurisdictions. Sino Gold securityholders outside Australia should refer to section 8.6 for more information and for notices addressed to those in Canada, China (including Hong Kong but excluding Macao), New Zealand, Singapore, Switzerland, the United Kingdom and the United States of America.

Forward looking statements and information

Certain statements in this booklet relate to the future. These forward looking statements and information, including all statements and information relating to the Combined Group and the transactions contemplated by the Scheme Implementation Deed, are not based solely on historical facts, but rather reflect the current expectations of Sino Gold or, in relation to the Eldorado Information, Eldorado concerning future results and events. These statements may sometimes be identified by the use of forward looking words or phrases such as *believe, aim, expect, anticipate, intend, foresee, likely, should, plan, may, estimate, budget, forecast, target, potential* or other similar words or phrases. Similarly, statements that describe Sino Gold's or Eldorado's objectives, plans, goals or expectations, estimates of reserves and resources, timelines for development and gold production, and future costs are or may be forward looking statements.

Forward looking statements involve known and unknown risks, uncertainties, assumptions and other important factors that could cause the actual results, performances or achievements of Sino Gold, Eldorado or the Combined Group to be materially different from future results, performances or achievements expressed or implied by such statements. Such statements and information are based on numerous assumptions regarding present and future business strategies and the environment in which Sino Gold, Eldorado and the Combined Group will operate in the future, including the price of gold, anticipated costs and ability to achieve goals. Certain important factors that could cause actual results, performances or achievements to differ materially from those in the forward looking statements include, among others, that the Merger is subject to the satisfaction of certain conditions, the number of securities issued is subject to certain adjustments, gold price volatility, discrepancies between actual and estimated production, mineral reserves and resources and metallurgical recoveries, mining operational and development risk, litigation risks, regulatory restrictions (including environmental regulatory restrictions and liability), activities by governmental authorities (including changes in taxation), risks of sovereign investment, currency fluctuations, speculative nature of gold exploration, global economic climate, dilution, share price volatility, competition, loss of key employees, additional funding requirements and defective title to mineral claims or property. See sections 2, 3.3, 3.4, 3.5, 3.6, 4, 5.5 and 6 for a discussion of potential risk factors underlying and other information relevant to the forward looking statements and information. **Forward looking statements and information should, therefore, be construed in light of such risk factors and undue reliance should not be placed on them.**

Sino Gold securityholders should note that the historical performance of Sino Gold and Eldorado is no assurance of their or the Combined Group's future financial performance.

Other than as required by law, neither Sino Gold, Eldorado and their respective directors nor any other person gives any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward looking statements and information in this booklet will actually occur.

The forward looking statements and information in this booklet reflect views held only at the date of this booklet. Subject to any continuing obligations under law, or as contemplated by section 12.10, Sino Gold, Eldorado and their respective directors disclaim any obligation or undertaking to disseminate after the date of this booklet any updates or revisions to any forward looking statements and information to reflect any change in expectations in relation to them or any change in events, conditions or circumstances on which they are based.

Estimates, targets and forecasts

Unless otherwise indicated, all references to estimates, targets and forecasts and derivations of the same in this booklet are references to estimates, targets and forecasts by Sino Gold or Eldorado management (as applicable). Management estimates, targets and forecasts are based on views held only at the date of this booklet, and actual events and results may be materially different from them.

Each of Sino Gold and Eldorado believe that any forecast attributed to it in this booklet has been made on reasonable grounds. However, readers are cautioned that the production estimates, targets and forecasts are subject to a variety of factors that are likely to cause actual results to vary from them, and such variations may be material. Forward looking information generally involves risks and uncertainties as described above, which are in many instances beyond Sino Gold's and Eldorado's control, including: (i) global economic conditions; (ii) pricing and cost factors; (iii) unanticipated events or changes in current development plans, execution of development plans, future operating results, financial conditions or business over time; and (iv) unfavourable regulatory developments. These could cause actual events and results to vary significantly from those included in or contemplated by such statements. Any production estimates, targets or forecasts reflect certain assumptions by Sino Gold and Eldorado, which assumptions may differ with respect to future events, economic, competitive and regulatory conditions, financial market conditions and future business decisions, including a continuation of existing business operations on substantially the same basis as currently exists, all of which assumptions are difficult to predict and many of which are beyond Sino Gold's and Eldorado's control. Accordingly, there can be no assurance that any estimate, forecast or target is indicative of Sino Gold's, Eldorado's or the Combined Group's future performance or that actual events and results would not differ materially from them.

Mineral reserves and mineral resources

Eldorado's disclosure of mineral reserve and mineral resource information is governed by NI 43-101 and CIM Standards. Sino Gold's disclosure of mineral reserve and mineral resource information is based on the reporting requirements of the JORC Code. CIM definitions of the terms 'mineral reserve', 'proven mineral reserve', 'probable mineral reserve', 'mineral resource', 'measured mineral resource', 'indicated mineral resource' and 'inferred mineral resource' are substantially similar to the JORC Code corresponding definitions of the terms 'ore reserve', 'proved ore reserve', 'probable ore reserve', 'mineral resource', 'measured mineral resource', 'indicated mineral resource' and 'inferred mineral resource', respectively. Estimates of mineral resources and mineral reserves prepared in accordance with the JORC Code would not be materially different if prepared in accordance with the CIM definitions applicable under NI 43-101.

There can be no assurance that those portions of such mineral resources that are not mineral reserves will ultimately be converted into mineral reserves. Mineral resources which are not mineral reserves do not have demonstrated economic viability.

Effect of rounding

A number of figures, amounts, percentages, prices, estimates, calculations of value and fractions in this booklet, including those in respect of Scheme Consideration, are subject to the effect of rounding. Accordingly, their actual calculation may differ from the calculations set out in this booklet.

Privacy and personal information

Sino Gold and Eldorado and their respective registries and agents may need to collect personal information to implement the Schemes. The personal information may include the names, contact details, bank account details and details of Sino Gold securityholders, and the names and contact details of individuals appointed by Sino Gold securityholders as proxies, attorneys or body corporate representatives to attend and vote at the Scheme Meetings.

Sino Gold securityholders who are individuals and other individuals in respect of whom personal information is collected have certain rights to access the personal information collected about them. An individual who wishes to exercise any of these rights should contact the Sino Gold Scheme Registry at first instance on (02) 9290 9600 (from within Australia) or +61 2 9290 9600 (from outside Australia), or registries@registriesltd.com.au.

The personal information described above may be disclosed to Sino Gold's and Eldorado's registries and stock transfer agents, securities brokers and third party service providers (including print and mail service providers). Personal information of Sino Gold securityholders may also be used to call them in relation to their securities or a Scheme.

Third parties who receive personal information in the course of providing the above services will be reminded of their obligations to use the personal information only for the purposes set out above and to protect the information according to applicable statutory and legal requirements.

Sino Gold securityholders who appoint an individual as their proxy, attorney or body corporate representative to attend and vote at a Scheme Meeting should inform him or her of the matters outlined above.

Defined terms

Certain terms and abbreviations used in this booklet have the defined meanings set out in sections 13 and 14. Some of the annexures to this booklet use their own terms and abbreviations, which may have different defined meanings to those set out in sections 13 and 14.

References to currency

All references in this booklet to A\$ are to Australian dollars, C\$ are to Canadian dollars, HK\$ are to Hong Kong dollars, RMB are to Chinese Renminbi, and US\$ are to United States dollars.

References to time

Unless otherwise stipulated, all references to time in this booklet are to the time in Sydney, Australia.

Date of this booklet

This booklet is dated 28 October 2009.

Contents

Important information	i
Overview of this Scheme Booklet	2
Key dates	4
Letter from the Chairman of Sino Gold	6
Letter from the Chairman of Eldorado	7
Why you should vote in favour of the Scheme(s) relevant to you	8
Why you may consider voting against the Scheme(s) relevant to you	10
Scheme Meeting details and how to vote	12
Frequently asked questions	14
1 Explanation of why you should vote in favour of the Scheme(s) relevant to you	24
2 Explanation of why you may consider voting against the Scheme(s) relevant to you	34
3 Profile of Sino Gold	37
4 Profile of Eldorado	53
5 Profile of the Combined Group	85
6 Potential risk factors	107
7 Information about the Merger and the Schemes	121
8 Scheme Consideration	136
9 Certain Australian taxation considerations	147
10 Certain Canadian federal income tax considerations	155
11 Comparison of relevant Australian and Canadian laws	157
12 Additional information	172
13 Glossary	180
14 Mining technical glossary	189
Annexures	
Annexure A – Independent Expert's Report	193
Annexure B – Investigating Accountant's Report	388
Annexure C – Scheme Implementation Deed	399
Annexure D – Share Scheme Deed Poll	473
Annexure E – Share Scheme	481
Annexure F – Notice of Share Scheme Meeting	501
Annexure G – Option Scheme Deed Poll	505
Annexure H – Option Scheme	514
Annexure I – Notice of Option Scheme Meeting 1	535
Annexure J – Notice of Option Scheme Meeting 2	539
Corporate directory	545

Overview of this Scheme Booklet

What is this booklet for?

This booklet contains information about the proposed Merger between Sino Gold and Eldorado that was announced on 26 August 2009. The Merger is to be implemented through:

- the Share Scheme between Sino Gold and Sino Gold shareholders (other than Eldorado); and
- the Option Scheme between Sino Gold and Sino Gold optionholders.

It provides you, as a Sino Gold securityholder, with information to consider before voting on the resolutions to approve the Scheme(s) relevant to you at the Scheme Meetings scheduled to be held on Wednesday, 2 December 2009.

What should you do next?

1

Read this booklet in full.

You should read and carefully consider the information included in this booklet to help you make an informed decision in relation to your Sino Gold securities and on how you will vote on the Scheme(s) relevant to you. If you do not know what to do, you should promptly consult your financial, legal, tax or other professional adviser.

2

Vote on the Scheme(s) relevant to you.

As a Sino Gold securityholder, you have the right to vote on whether the Scheme(s) relevant to you should be approved. You may vote in person or appoint a proxy to vote on your behalf.

You can appoint a proxy by completing and returning the **Proxy Form** that accompanied this booklet in accordance with the instructions on that form. Depending on the Sino Gold securities held by you, you may be entitled to vote at more than one Scheme Meeting, in which case you should have received more than one Proxy Form (each a different colour) – one for each Scheme Meeting relevant to you. An explanation on your eligibility to vote and how you can vote is set out on page 12. The deadline for receipt of a Proxy Form by the Sino Gold Scheme Registry is 48 hours before the relevant Scheme Meeting (see page 4 for the precise times).

3

Decide whether you would prefer to receive Scheme Consideration in the form of Eldorado shares listed on TSX and NYSE, rather than in the form of Eldorado CDIs quoted on ASX.

See section 8.4 for information on how to make this election.

4

If eligible, decide whether you would prefer to have the Eldorado shares that would otherwise have been issued to you issued to the Sale Agent, as your nominee in trust, for sale on market following implementation of the Schemes. If you so elect, you will receive a pro rata share of the net proceeds converted into Australian dollars from the sale of all Eldorado shares sold through the Sale Facility.

You will be eligible to participate in the Sale Facility in relation to a Scheme if you are a Retail Securityholder at 5.00pm¹ on the Record Date for the Scheme. A Retail Securityholder under a Scheme is any Sino Gold securityholder who is entitled to receive 55,000 or less Eldorado CDIs under that Scheme. No brokerage fees will be payable.

If you will be eligible, you may elect to participate in the Sale Facility by completing and returning the **Sale Election Form** that accompanied this booklet in accordance with the instructions on that form. If you hold both Sino Gold shares and Sino Gold options, you should have received two Sale Election Forms – a blue form for the Share Scheme and a white form for the Option Scheme. The deadline for receipt of Sale Election Forms by the Sino Gold Scheme Registry is 5.00pm¹ on the Record Date (expected to be Friday, 11 December 2009). See section 8.5 for further information on how to make this election.

Questions?

If you have any questions after reading this booklet, please call the Sino Gold Securityholder Information Line on 1300 819 121 (from within Australia, toll free), 2862 8666 (from within Hong Kong) or +61 3 9415 4231 (from elsewhere).

Key dates

If you hold Sino Gold shares in the Sino Gold Hong Kong Share Register, you should refer to the timetable in section 7.7 as it includes additional times and dates that are relevant to you.

Scheme Meetings

Deadline for receipt of Proxy Forms by the Sino Gold Scheme Registry for:	Monday, 30 November 2009
Share Scheme Meeting	10.00am
Option Scheme Meeting 1	10.30am
Option Scheme Meeting 2	11.00am
Time and date for determining eligibility to vote at the Scheme Meetings	5.00pm¹ on Monday, 30 November 2009²
Scheme Meetings (to be held at the Hilton Sydney, Level 2, Function Room 3, 488 George Street, Sydney, Australia):	Wednesday, 2 December 2009
Share Scheme Meeting	10.00am
Option Scheme Meeting 1	10.30am³
Option Scheme Meeting 2	11.00am³
Results of Scheme Meetings announced	

Notes:

- 1 2.00pm Hong Kong time.
- 2 In the case of Sino Gold shares on the Sino Gold Hong Kong Share Register, the deadline for lodging transfers to ensure eligibility to vote at the Share Scheme Meeting is 4.30pm (Hong Kong time) on Friday, 27 November 2009. The Sino Gold Hong Kong Share Register will be closed from Thursday, 10 December 2009 to Friday, 11 December 2009 (inclusive).
- 3 Or immediately after the previous Scheme Meeting (whichever is later).

Following securityholder approval of the Schemes

Second Court Hearing (for approval of the Schemes)	
Effective Date	
Outcome of Second Court Hearing announced	Friday, 4 December 2009
Last day of trading in Sino Gold shares on ASX and HKSE (trading suspended at close)	
All unvested Sino Gold options become exercisable	
Eldorado CDIs commence trading on ASX (deferred settlement basis)	Monday, 7 December 2009
Deadline for receipt of exercise notices by Sino Gold of Sino Gold options	5.00pm on Thursday, 10 December 2009
Deadline for receipt of Sale Election Forms and Share Election Forms by the Sino Gold Scheme Registry	5.00pm on Friday, 11 December 2009
Record Date (for determining entitlements to Scheme Consideration)	
Implementation Date	
Commencement of despatch of holding statements for Eldorado CDIs and certificates for Eldorado shares	Tuesday, 15 December 2009
New Eldorado shares commence trading on TSX and NYSE ¹ (at local times)	
Eldorado CDIs commence trading on ASX (normal settlement basis) ¹	Wednesday, 16 December 2009
Last TSX Trading Day for sales to be completed under the Sale Facility	Friday, 8 January 2010

Notes:

- 1 The exact number of Eldorado securities to be issued to you will not be known until after the Record Date and will not be confirmed to you until you receive your holding statement (for Eldorado CDIs) or share certificate (for Eldorado shares) following the Implementation Date. **It is your responsibility to confirm your holding of Eldorado securities before you trade them to avoid the risk of committing to sell more than will be issued to you.**

This timetable is indicative only and is subject to the time at which Conditions Precedent are satisfied, or (if applicable) waived, and to all necessary Court and regulatory approvals. Sino Gold has the right to vary any or all of these dates and times, subject to any approval required by applicable securities exchanges, the Court or Eldorado. Any variation to this timetable will be announced to ASX and HKSE.

This timetable assumes that Eldorado will be admitted to the official list of ASX and approval given for the official quotation of Eldorado CDIs. However, in certain circumstances, the Schemes may be implemented without these events occurring. See section 8.4 for more information.

Letter from the Chairman of Sino Gold

28 October 2009



Dear Sino Gold securityholder,

On 26 August 2009, the Boards of Sino Gold and Eldorado announced that they had signed an agreement under which Eldorado proposes to acquire all of the Sino Gold shares that it does not already own.

The Merger is to be implemented by: (i) the Share Scheme under which Eldorado would acquire all of those Sino Gold shares that it does not currently own in return for the issue of 0.55 Eldorado shares in the form of Eldorado CDIs¹ for each Sino Gold share held; and (ii) the Option Scheme under which all Sino Gold options would be cancelled in return for the issue of Eldorado shares in the form of Eldorado CDIs. A CDI is an instrument through which Eldorado shares will trade on ASX – if you prefer, you can elect to receive Eldorado shares listed on TSX and NYSE instead of Eldorado CDIs. Upon completion of the Schemes, Sino Gold securityholders (excluding Eldorado's current 19.8% stake in Sino Gold) would hold approximately 25% of Eldorado.²

Sino Gold directors unanimously recommend that you vote in favour of the Schemes, in the absence of a Superior Proposal, as we believe that this transaction is in the best interests of Sino Gold securityholders. Furthermore, each Sino Gold director intends to vote in favour of the Scheme(s) relevant to him in relation to the Sino Gold securities held by him or on his behalf at the time of the Scheme Meetings.

Your Board's recommendation to vote in favour of the Schemes is based on the following considerations.

- The attractive upfront premium offered to Sino Gold securityholders.
- The ability for Sino Gold securityholders to participate in the potential benefits resulting from the scale, scope and growth profile of the Combined Group. The Merger:
 - creates an intermediate size gold producer with a strong financial position and unhedged production;
 - gives Sino Gold securityholders exposure to a more geographically and operationally diversified portfolio of high quality and relatively low-cost assets;
 - provides an attractive platform for growth;
 - is likely to result in increased stock market appeal through enhanced liquidity and visibility; and
 - combines two experienced management teams, each with a track record of shareholder value creation.
- The findings of the Independent Expert who considers that the Merger is in the best interests of Sino Gold securityholders, in the absence of a Superior Proposal.

I encourage you to read this booklet carefully as it contains important information in relation to the Schemes and will assist you in making an informed decision. In particular, there are certain risks that you would become exposed to as an Eldorado securityholder if the Merger proceeds, and these are described in section 2 '*Change in the risk profile and risks of investment in the Combined Group*' and section 6. It is important that you cast your vote either by attending the Scheme Meeting(s) relevant to you or completing and returning the Proxy Form that accompanied this booklet.

Should you require any further information with regard to the Schemes, please contact the Sino Gold Securityholder Information Line on 1300 819 121 (from within Australia, toll free), 2862 8666 (from within Hong Kong) or +61 3 9415 4231 (from elsewhere). Please also consider consulting your financial, legal, tax or other professional adviser.

Yours sincerely,

James Askew

Chairman

Sino Gold Mining Limited

Notes:

- 1 Each Eldorado CDI will represent a beneficial interest in one Eldorado share (see section 8.4). If the Schemes become Effective but Eldorado does not obtain admission to ASX, you will receive Eldorado shares listed on TSX and NYSE (but not ASX) under the Schemes.
- 2 See footnote 1 in section 5.1.

Letter from the Chairman of Eldorado



eldorado gold

28 October 2009

Dear Sino Gold securityholder,

The Board and management of Eldorado are pleased to provide you with the opportunity to participate in the combination of Sino Gold and Eldorado, which will create one of the premier intermediate gold producers.

The combination of Sino Gold and Eldorado is unanimously supported by the Eldorado Board. We encourage you to vote in favour of the combination at the Scheme Meetings on Wednesday, 2 December 2009.

If the transaction is completed, the Combined Group will be the leader among international gold producers in China, the world's largest gold producing country. In addition, the Combined Group will have a quality portfolio of assets in Turkey, Greece and Brazil, providing Sino Gold securityholders with enhanced geographic diversification.

The Combined Group securityholders will benefit from Eldorado's position as one of the lowest cost, highest growth global gold producers, a position reinforced by the addition of Sino Gold's quality asset base. Going forward, the strong financial position and cash flow of the Combined Group will underpin the development of the current project pipeline and provide the financial flexibility to pursue future growth opportunities as they arise. Gold production of the Combined Group is targeted to grow from approximately 535,000 to 550,000 ounces for the year ended 31 December 2009 from four mines to a target of 850,000 ounces for the year ended 31 December 2011 from six mines.¹ Additionally, the Combined Group will have a strong reserve and resource position, with 12.7 million ounces of proven and probable reserves from 18.8 million ounces of measured and indicated resources, and 5.3 million ounces of additional inferred resources.²

Eldorado has a history of delivering value to its shareholders through proven, operations focused management. Sino Gold's talented operations, exploration and business development teams will significantly enhance the Combined Group's management capabilities in China.

The Sino Gold Board unanimously recommends the Schemes in the absence of a Superior Proposal. The Independent Expert has concluded that the combination is in the best interests of Sino Gold securityholders, in the absence of a Superior Proposal.

As a Sino Gold securityholder, your vote is extremely important in order to ensure that the combination is implemented, unlocking benefits for all securityholders. On behalf of the Eldorado Board, I encourage you to vote in favour of the Schemes that affect you.

I look forward to welcoming you as an Eldorado shareholder or Eldorado CDI holder following the successful implementation of the combination.

Yours sincerely,

Hugh C. Morris

Chairman
Eldorado Gold Corporation

Notes:

1 See footnotes 3 and 4 in section 5.1.

2 Reserve and resource estimates comprise amounts calculated under NI 43-101 for Eldorado and amounts estimated under the JORC Code for Sino Gold, on a 100% consolidated basis. See section 5.4 for more details.

Why you should vote in favour of the Scheme(s) relevant to you

Taken at announcement, the Scheme Consideration represents an attractive upfront premium to the trading price of Sino Gold shares.

The Scheme Consideration implies a value of A\$7.24 per Sino Gold share based on the Eldorado closing share price and the C\$:A\$ exchange rate on the day immediately prior to the Merger Announcement Date (26 August 2009). This implied value is above the Sino Gold share price for the 12 months leading up to the Merger Announcement Date and represents a premium of 32.3% to the Sino Gold 30 trading day VWAP prior to the Merger Announcement Date. **Sino Gold securityholders should note, however, that the implied value of the Scheme Consideration will change from time to time based on movements in the Eldorado share price and in the C\$:A\$ exchange rate.**

Sino Gold securityholders will be able to participate in the potential benefits resulting from the scale, scope and growth profile of the Combined Group.¹

The Merger creates an intermediate size gold producer with a strong financial position and unhedged production.

The Combined Group will benefit from:

- a market capitalisation of approximately US\$5.9 billion² (A\$7.1 billion³);
- gold production of the Combined Group is targeted to grow from approximately 535,000 to 550,000 ounces for the year ended 31 December 2009 from four mines to a target of 850,000 ounces for the year ended 31 December 2011 from six mines;⁴
- unhedged proven and probable reserves of 12.7 million ounces from 18.8 million ounces of measured and indicated resources, and 5.3 million ounces of additional inferred resources;⁵ and
- a strong balance sheet and cash flow position.

The Merger gives Sino Gold securityholders exposure to a more geographically and operationally diversified portfolio of high quality and relatively low-cost assets.

- The Merger will provide an opportunity for Sino Gold securityholders to expand their current exposure from two producing mines and one principal development project in China to a more diversified exposure to four producing mines and three principal development projects across China, Turkey and Greece.
- The Combined Group will be the leading international company in both China and Turkey in terms of gold production.
- The Combined Group will have relatively lower cash operating costs than Sino Gold, providing Sino Gold securityholders with increased operating margins. Sino Gold expects its 2009 cash operating costs will be below US\$400 per gold ounce, while Eldorado expects its 2009 cash operating costs will be approximately US\$300 per gold ounce.⁴

The Merger provides an attractive platform for growth.

The Combined Group will benefit from production growth opportunities through the existing organic project pipeline and expansion potential at existing mines. Gold production of the Combined Group is targeted to grow from approximately 535,000 to 550,000 ounces for the year ended 31 December 2009 from four mines to a target of 850,000 ounces for the year ended 31 December 2011 from six mines.⁶

Notes:

1 See footnote 4 in section 5.1.

2 See footnote 1 in section 5.1.

3 See footnote 2 in section 5.1.

4 See footnotes 3 and 4 in section 5.1.

5 See section 5.4 for further information (including assumptions) relating to these figures.

6 See footnotes 3 and 4 in section 5.1.

The Merger is likely to result in increased stock market appeal through enhanced liquidity and visibility.

Sino Gold securityholders will be part of an enlarged group with a significantly larger market capitalisation and are expected to benefit from the greater liquidity afforded by Eldorado shares and from the greater visibility resulting from the strong equity research coverage of Eldorado.

While Eldorado securities overall (i.e. Eldorado shares and CDIs) should have greater liquidity than Sino Gold shares, it is likely that the market for Eldorado CDIs on ASX will be less liquid than the market for Eldorado shares on TSX and NYSE. The issue is discussed in more detail in section 6.5. This is a factor you should take into account in deciding whether to elect to receive Eldorado shares rather than Eldorado CDIs.

The Merger combines two experienced management teams, each with a track record of shareholder value creation.

- Eldorado, like Sino Gold, has a management team with a strong track record of shareholder value creation.
- The Combined Group will benefit from the management expertise and the technical, industry, development and operating skills of Sino Gold and Eldorado, particularly in China and Turkey.

Sino Gold shareholders who are Australian residents for taxation purposes and receive Eldorado CDIs or Eldorado shares should generally be able to obtain CGT scrip-for-scrip roll-over relief on any capital gains.

Sino Gold shareholders who are Australian residents for tax purposes and who would otherwise make a capital gain on the disposal of their Sino Gold shares in return for Eldorado CDIs or Eldorado shares should generally be able to obtain CGT scrip-for-scrip roll-over relief. This relief is not available for capital gains on Sino Gold options.

Retail Securityholders (as defined) may elect to have the Eldorado shares that would otherwise have been issued for them issued to the Sale Agent, as their nominee in trust, for sale on market following implementation of the Schemes. Those who so elect will receive a pro rata share of the net proceeds converted into Australian dollars from the sale of all Eldorado shares sold through the Sale Facility. No brokerage fees will be payable.

You will be eligible to participate in the Sale Facility in relation to a Scheme if you are a Retail Securityholder at the Record Date for the Scheme. A Retail Securityholder under a Scheme is any Sino Gold securityholder who is entitled to receive 55,000 or less Eldorado CDIs under that Scheme. See section 8.5 for more information.

If the Schemes are not approved, and no alternative proposal emerges, the Sino Gold share price may fall.

If the Merger does not proceed, Sino Gold directors expect that the Sino Gold share price would be likely to trade below current trading levels (although it is difficult to predict the Sino Gold share price movement with any degree of certainty). In section 4 of the Independent Expert's Report, the Independent Expert, Grant Samuel, states that it *'believes that if the [Merger] was not implemented there would be a risk of a material decline in Sino Gold's share price'*.

The Independent Expert, Grant Samuel, has concluded that the Merger is in the best interests of Sino Gold securityholders, in the absence of a Superior Proposal.

Grant Samuel has concluded that the Schemes are fair and reasonable, and therefore in the best interests of Sino Gold securityholders. See annexure A for a copy of Grant Samuel's Independent Expert's Report.

Why you may consider voting against the Scheme(s) relevant to you

Change in risk profile and risks of investment in the Combined Group.

If the Schemes are implemented, Sino Gold will become part of Eldorado, and Sino Gold securityholders will become Eldorado shareholders. As a result, Sino Gold securityholders will be exposed to:

- new risks relating to Eldorado (including country risk in Turkey, Greece and Brazil and risks specific to Eldorado's projects, including the litigation in relation to Eldorado's Kışladağ mine and Efemçukuru project described in section 2);
- certain additional risks related to the integration of Sino Gold and its operations within Eldorado; and
- a change in currency exchange rate risk profile.

Grant Samuel in the Independent Expert's Report has also considered the environmental risks in relation to Eldorado's Kışladağ gold mine and Efemçukuru project (see, in particular, section 9.5 of that report). Grant Samuel notes that *'Eldorado's shares are trading at multiples of reserves, resources, production and earnings that are high relative to its peer group'*, and that *'any extreme manifestation of these risks (such as a further interruption to production from Kışladağ or failure to secure the approvals required to commence development of the Efemçukuru gold project) could have a material adverse effect on the Eldorado share price. The extent of this effect could be exacerbated by a market re-assessment of the premium rating that Eldorado shares currently enjoy'*.

You should read carefully the disclosure on such risks in this booklet, including in section 2 *'Change in risk profile and risks of investment in the Combined Group'* and section 6.

The investment profile for Sino Gold securityholders will change.

While Sino Gold and Eldorado are both gold producers, the operational profile, capital structure, size and geography of the Combined Group will be different from that of Sino Gold on a stand-alone basis.

It is possible that certain Sino Gold securityholders may wish to maintain an interest in Sino Gold as a stand-alone entity because they are seeking an investment in a listed company with the specific characteristics of Sino Gold.

Sino Gold securityholders may consider that the time is not yet right for this transaction.

Sino Gold securityholders may consider that Sino Gold should continue to develop its existing asset portfolio and consider acquisitions before looking to secure a merger with another gold producer. See section 9.4 of the Independent Expert's Report for Grant Samuel's assessment of the stand-alone alternative.

<p>A Superior Proposal for Sino Gold may yet emerge.</p>	<p>It is possible that a Superior Proposal for Sino Gold, which is more attractive for Sino Gold securityholders than the Schemes, may materialise in the future. The implementation of the Schemes would mean that Sino Gold securityholders would not obtain the benefit of any such proposal. The Sino Gold Board is not currently aware of any such proposal.</p> <p>While Sino Gold has agreed to certain exclusivity provisions that restrict it from encouraging, or engaging with, the proponent of a Third Party Transaction, the restrictions do not prevent Sino Gold from entering into negotiations for a Third Party Transaction where the Sino Gold Board determines, after taking advice, that it is more favourable to Sino Gold shareholders having regard to relevant factors than the Share Scheme.</p>
<p>The exact value of the Scheme Consideration on implementation of the Schemes is not certain.</p>	<p>The exact value of the Scheme Consideration that would be realised by Sino Gold securityholders on implementation of the Schemes is not certain because it will be dependent on the price at which Eldorado CDIs and Eldorado shares trade on or about that date.</p>
<p>Following implementation of the Schemes, the price of ASX listed Eldorado CDIs and of TSX and NYSE listed Eldorado shares might change.</p>	<p>Following implementation of the Schemes, the price of Eldorado CDIs or Eldorado shares received as Scheme Consideration may rise or fall. If the price of Eldorado CDIs or Eldorado shares falls, the value of the securities received by Sino Gold securityholders as Scheme Consideration will decline in value. Accordingly, there is no guarantee that Sino Gold securityholders will actually realise the implied value of the Scheme Consideration.</p>

Scheme Meeting details and how to vote

There will be three Scheme Meetings: the Share Scheme Meeting (to approve the Share Scheme) and two Option Scheme Meetings (the Option Scheme must be approved at each). You may attend and vote at each Scheme Meeting for which you meet the eligibility criteria below.

The Scheme Meetings will be held at the Hilton Sydney, Level 2, Function Room 3, 488 George Street, Sydney, Australia on Wednesday, 2 December 2009.

Meeting	Proxy Form for Meeting	Time of Meeting
Share Scheme Meeting	Yellow	10.00am
Option Scheme Meeting 1	Green	10.30am or immediately after the Share Scheme Meeting (whichever is later)
Option Scheme Meeting 2	Grey	11.00am or immediately after Option Scheme Meeting 1 (whichever is later)

Eligibility

Sino Gold shareholders who are registered on the Sino Gold Share Register at 5.00pm¹ on Monday, 30 November 2009 may attend and vote at the Share Scheme Meeting.

Sino Gold optionholders who are registered on the Sino Gold Option Register at 5.00pm¹ on Monday, 30 November 2009 as the holder of options with:

- an exercise price equal to or greater than A\$7.17 or, for options with a C\$ exercise price, C\$6.49 (**Sino Gold out of the money options**), may attend and vote at Option Scheme Meeting 1; and/or
- an exercise price less than A\$7.17 or, for options with a C\$ exercise price, C\$6.49 (**Sino Gold in the money options**), may attend and vote at Option Scheme Meeting 2.

Depending on the Sino Gold securities held by you, you may be entitled to vote at one or more Scheme Meetings.

Voting in person

If you are entitled to vote and wish to do so in person, you should attend the Scheme Meeting(s) relevant to you. When attending, please bring your meeting registration forms to facilitate your admission (this is the coloured Proxy Form for that meeting that accompanied this booklet).

Voting by proxy

If you are entitled to vote at a Scheme Meeting and wish to appoint a proxy to attend and vote on your behalf, you should complete and return the Proxy Form for the Scheme Meeting that accompanied this booklet. If you are entitled to vote at more than one Scheme Meeting, you should have received more than one Proxy Form (each a different colour) – one for each Scheme Meeting relevant to you.

You can obtain new Proxy Forms from the Sino Gold Scheme Registry (see contact details on the inside back cover of this booklet).

To be effective, a validly completed Proxy Form must be returned to the Sino Gold Scheme Registry in accordance with the instructions on the form so that it is received by no later than 48 hours before the Scheme Meeting.

If you have an attorney sign the Proxy Form on your behalf, the original or a certified copy of the power of attorney or other evidence of your attorney's authority must be received by the Sino Gold Scheme Registry at the same time as the Proxy Form (unless previously provided to the Sino Gold Scheme Registry).

If you complete and return the Proxy Form for a Scheme Meeting, you may still attend the Scheme Meeting, revoke the proxy and vote in person.

Note:

1 2.00pm Hong Kong time.

Voting in person through an attorney or body corporate representative

If you are entitled to vote at a Scheme Meeting, you may have an attorney or, if you are a body corporate, a body corporate representative attend and vote on your behalf. Persons attending a Scheme Meeting as:

- an attorney should bring the original or a certified copy of the power of attorney or other evidence of their authority; or
- a body corporate representative should bring the original or a certified copy of the certificate of appointment and any authority under which the appointment was made,

to the Scheme Meeting or lodge it with Sino Gold Scheme Registry before the Scheme Meeting.

Frequently asked questions

This section includes brief answers to some frequently asked questions about the Merger and the Schemes. It is not intended to address all issues relevant to Sino Gold securityholders. This section should be read together with all other parts of this booklet.

The Merger and the Schemes

- 1. What is the effect of the Schemes?**
- The Merger is proposed to be implemented by:
- the Share Scheme under which Eldorado would, through a wholly owned subsidiary, acquire all of the Sino Gold shares that it does not already own, in return for the issue of 0.55 Eldorado shares in the form of Eldorado CDIs quoted on ASX for each Sino Gold share held (rounded down); and
 - the Option Scheme under which all Sino Gold options would be cancelled in return for the issue of Eldorado shares in the form of Eldorado CDIs quoted on ASX. *See section 8.3 for information on the number of Eldorado CDIs to be issued on the cancellation of each series or grant of Sino Gold options and the basis for their calculation.*

Sino Gold securityholders may receive Eldorado shares listed on TSX and NYSE rather than Eldorado CDIs quoted on ASX. *See question 2 and section 8.4 for more information.*

Retail Securityholders under a Scheme may elect to have the Eldorado shares that would otherwise have been issued for them issued to the Sale Agent, as their nominee in trust, for sale on market following implementation of the Schemes. Those who so elect will receive a pro rata share of the net proceeds converted into Australian dollars from the sale of all Eldorado shares sold through the Sale Facility. *See question 3 and section 8.5 for more information.*

Ineligible Foreign Securityholders will not receive Eldorado CDIs or Eldorado shares under the Schemes, but will instead receive a pro rata share of the net proceeds converted into Australian dollars from the sale of all Eldorado shares by the Sale Agent through the Sale Facility. *See question 4 and section 8.6 for more information.*

Upon completion of the Schemes, Sino Gold securityholders (excluding Eldorado's current 19.8% stake in Sino Gold) would hold approximately 25%¹ of Eldorado, and Sino Gold will become a wholly owned subsidiary of Eldorado and be delisted from ASX and HKSE. *See section 4.1 for more information.*

- 2. What is a CDI? Can I get Eldorado shares listed on TSX and NYSE instead of Eldorado CDIs quoted on ASX?**
- A CDI, or CHESS Depository Instrument, is the instrument through which Eldorado shares will trade on ASX if Eldorado is admitted to the official list of ASX. Each Eldorado CDI will represent a beneficial interest in one Eldorado share. *See question 21 and section 8.4 for more information on the differences between CDIs and shares.*

If the Schemes become Effective, but Eldorado does not obtain admission to ASX, you will not receive Eldorado CDIs, but will instead receive Eldorado shares listed on TSX and NYSE (but not quoted on ASX) under the Schemes. At the date of this booklet, Eldorado is not aware of any particular issues that would prevent it from obtaining admission to ASX.

If Eldorado is admitted to the official list of ASX, you can nevertheless elect to receive Eldorado shares listed on TSX and NYSE instead of Eldorado CDIs quoted on ASX. To make this election, contact the Sino Gold Scheme Registry (see contact details on the inside back cover of this booklet) and ask them to send you a **Share Election Form**. You should then complete and return the Share Election Form in accordance with the instructions on that form. The deadline for receipt of Share Election Forms by the Sino Gold Scheme Registry is 5.00pm² on the Record Date (currently, Friday, 11 December 2009). If Eldorado is admitted to ASX, and you do not make a valid Share Election by that time, you will receive Eldorado CDIs to be quoted on ASX by default.

See question 21 and section 6.5 for a discussion of the liquidity of the market for Eldorado CDIs and the potential risk that they may trade at a discount to Eldorado shares on TSX and NYSE.

Note:

- 1 See footnote 1 in section 5.1.
- 2 2.00pm Hong Kong time.

3. What is the Sale Facility for Retail Securityholders? How do I participate in it?

The Sale Facility allows Retail Securityholders (on election) to have the Eldorado shares that would otherwise have been issued for them issued to the Sale Agent, as their nominee in trust, to sell on market following implementation of the Schemes. Those who so elect will receive a pro rata share of the net proceeds converted into Australian dollars from the sale of all Eldorado shares sold through the Sale Facility.

A Retail Securityholder under a Scheme is any Sino Gold securityholder who is entitled to receive 55,000 or less Eldorado CDIs under that Scheme. All Sale Facility Shares will be sold by the Sale Agent in the 15 TSX Trading Day period following the Implementation Date. *See section 8.5 for more information, including the process by which the Sale Agent will sell Eldorado shares and then distribute net proceeds. If you hold your Sino Gold shares through CCASS in Hong Kong, see section 7.7 for a discussion of the action that you will need to take to qualify as a Retail Securityholder.*

There is no guarantee of the amount of cash a Sale Facility Participant will receive. This will depend on the prices that can be achieved by the Sale Agent for the sale of Eldorado shares, prevailing exchange rates at the time of conversion of the net proceeds to A\$, and applicable taxes and currency conversion costs.

If you will be eligible, you may elect to participate in the Sale Facility by completing and returning the **Sale Election Form** that accompanied this booklet in accordance with the instructions on that form. If you hold both Sino Gold shares and Sino Gold options, you should have received two Sale Election Forms – a blue form for the Share Scheme and a white form for the Option Scheme.

If you do not complete and return a valid Sale Election Form for a Scheme to the Sino Gold Scheme Registry so that it is received by 5.00pm¹ on the Record Date (currently Friday, 11 December 2009), you will be issued Eldorado CDIs or Eldorado shares under that Scheme. A Sale Election can be revoked at anytime up to 5.00pm¹ on the Record Date.

4. Who is an Ineligible Foreign Securityholder for the purposes of the Schemes? What do they receive under the Schemes?

You will be an Ineligible Foreign Securityholder for the purposes of the Schemes if your address as recorded in the Sino Gold Share Register or Sino Gold Option Register (as applicable) at 5.00pm¹ on the Record Date is a place outside Australia and its external territories, Canada, China (including Hong Kong but excluding Macao), New Zealand, Singapore, Switzerland, the United Kingdom or the United States of America.

Ineligible Foreign Securityholders will not receive Eldorado CDIs or Eldorado shares under the Schemes. Instead, the Eldorado shares that would otherwise have been issued for them under the Schemes (had they not been ineligible) will be issued to the Sale Agent, as their nominee in trust, to sell on market following implementation of the Schemes. All Sale Facility Shares will be sold by the Sale Agent in the 15 TSX Trading Day period following the Implementation Date.

There is no guarantee of the amount of cash you will receive from the sale of Eldorado shares. This will depend on the prices that can be achieved by the Sale Agent, prevailing C\$:A\$ exchange rates at the time of conversion of the net proceeds and applicable taxes and currency conversion costs.

See sections 8.5 and 8.6 for more information, including the process by which the Sale Agent will sell Eldorado shares and distribute the net proceeds.

Note:

1 2.00pm Hong Kong time.

Frequently asked questions

Assessment of the Schemes

- | | |
|---|---|
| 5. What are Sino Gold securityholders being asked to consider? | As a Sino Gold securityholder, you have the right to vote on whether the Scheme(s) relevant to you should be approved.
<i>See sections 7.3 and 7.4 for more information.</i> |
| 6. What is the recommendation of Sino Gold directors? | Sino Gold directors unanimously recommend that you vote in favour of the Scheme(s) relevant to you, in the absence of a Superior Proposal.
<i>See sections 1 and 2 for more information.</i> |
| 7. What is the opinion of the Independent Expert? | The Independent Expert, Grant Samuel, has concluded that the Schemes are fair and reasonable, and therefore in the best interests of Sino Gold securityholders.
<i>See annexure A for a copy of the Independent Expert's Report.</i> |

Information about the Combined Group

- | | |
|---|---|
| 8. How will the Combined Group differ from Sino Gold? | The Combined Group will have a diversified portfolio of gold assets comprising four producing mines and three principal development projects across China, Turkey and Greece. The Combined Group will have one of the lowest cash costs in the industry and the financial strength to deliver growth opportunities. The new entity will offer investors improved liquidity (Eldorado shares trade in excess of US\$56 million per day on TSX and NYSE) and strong research following.
<i>See section 5 for more information.</i> |
| 9. What is Eldorado's strategy for the Combined Group? | The Combined Group will be focused on gold and positioned to grow in China, Turkey, Greece and Brazil. The Combined Group will utilise existing financial strength, management and technical skills to develop and deliver the combined project pipeline and continue to deliver growth through exploration and complementary acquisitions.
<i>See section 5 for more information.</i> |
| 10. What are the risks associated with the Merger? | Various potential risk factors relating to the Merger, the Combined Group and Eldorado securities are discussed in section 6. Sino Gold directors have drawn attention to certain of those risks in section 2. |

Scheme Meetings

11. Why are there three Scheme Meetings?

There will be three Scheme Meetings: the Share Scheme Meeting (to approve the Share Scheme) and two Option Scheme Meetings (to approve the Option Scheme).

Two Option Scheme Meetings are required to approve the Option Scheme because Sino Gold optionholders are considered to comprise two different classes depending on whether a particular option has:

- an exercise price equal to or greater than A\$7.17 or, for options with a C\$ exercise price, C\$6.49 (**Sino Gold out of the money options**); or
- an exercise price less than A\$7.17 or, for options with a C\$ exercise price, C\$6.49 (**Sino Gold in the money options**).

The reason Sino Gold optionholders are considered to comprise two different classes is that the Option Scheme Consideration for Sino Gold out of the money options is calculated differently from the Option Scheme Consideration for Sino Gold in the money options. See section 7.4 for more information on the basis for the calculation of Option Scheme Consideration.

Each class of Sino Gold optionholders will have the opportunity to meet and vote separately on the Option Scheme:

- Option Scheme Meeting 1 for Sino Gold out of the money optionholders; and
- Option Scheme Meeting 2 for Sino Gold in the money optionholders.

To become Effective, the Option Scheme must be approved by the requisite majorities at both Option Scheme Meetings.

12. Who will be entitled to vote at the Scheme Meetings?

Sino Gold shareholders who are registered on the Sino Gold Share Register at 5.00pm¹ on Monday, 30 November 2009 may vote at the Share Scheme Meeting.

Sino Gold optionholders who are registered on the Sino Gold Option Register at 5.00pm¹ on Monday, 30 November 2009 may vote:

- at Option Scheme Meeting 1, if they are recorded as holding Sino Gold out of the money options; and/or
- at Option Scheme Meeting 2, if they are recorded as holding Sino Gold in the money options.

Some Sino Gold securityholders may be entitled to vote at more than one Scheme Meeting because they hold a combination of Sino Gold shares, Sino Gold out of the money options and Sino Gold in the money options.

See sections 7.3 and 7.4 for more information.

Note:

1 2.00pm Hong Kong time.

Frequently asked questions

Scheme Meetings (continued)

- 13. Where and when will the Scheme Meetings be held?**
- The Scheme Meetings will be held at the Hilton Sydney, Level 2, Function Room 3, 488 George Street, Sydney, Australia on Wednesday, 2 December 2009 at the following times:
- **Share Scheme Meeting** – 10.00am;
 - **Option Scheme Meeting 1** – 10.30am or immediately after the Share Scheme Meeting (whichever is later); and
 - **Option Scheme Meeting 2** – 11.00am or immediately after Option Scheme Meeting 1 (whichever is later).
- See the notice of meeting in annexure F (the Share Scheme Meeting), in annexure I (Option Scheme Meeting 1) and in annexure J (Option Scheme Meeting 2) for more information.*
-
- 14. How can I vote?**
- You can vote at a Scheme Meeting:
- in person;
 - by completing and returning the Proxy Form for the Scheme Meeting that accompanied this booklet in accordance with the instructions on the form; or
 - by attorney or, in the case of a body corporate, by body corporate representative.
- See the notice of meeting in annexure F (the Share Scheme Meeting), in annexure I (Option Scheme Meeting 1) and in annexure J (Option Scheme Meeting 2) for more information.*
-
- 15. What voting majorities are required to approve the Schemes?**
- The Share Scheme must be approved by:
- a majority in number of eligible Sino Gold shareholders who vote at the meeting; and
 - at least 75% of the total number of votes cast by eligible Sino Gold shareholders at the meeting.
- The Option Scheme must be approved at each Option Scheme Meeting by:
- a majority in number of eligible Sino Gold optionholders who vote at the meeting; and
 - eligible Sino Gold optionholders whose Sino Gold options amount to at least 75% of the total value of relevant Sino Gold options held by the Sino Gold optionholders who vote at the meeting (the 'value' of an option will be determined by reference to the Option Scheme Consideration payable on the cancellation of the option).
- See sections 7.3 and 7.4 for more information.*
-

16. How will Sino Gold directors be voting?	Each Sino Gold director intends to vote in favour of the Scheme(s) relevant to him in relation to the Sino Gold securities held by him or on his behalf at the time of the Scheme Meetings, in the absence of a Superior Proposal. <i>See section 12.1 for more information.</i>
17. Is Eldorado entitled to vote?	Eldorado is excluded from voting its Sino Gold shares at the Share Scheme Meeting. Eldorado does not hold any Sino Gold options.
18. When will the results of the Scheme Meetings be known?	The results of each Scheme Meeting will be available shortly after the conclusion of all Scheme Meetings on Wednesday, 2 December 2009 and will be announced to ASX and HKSE as soon as practicable. Even if the Schemes are approved by the Scheme Meetings, the Schemes will still be subject to the approval of the Court at the Second Court Hearing on the Second Court Hearing Date (currently Friday, 4 December 2009).
19. Can I be bound by a Scheme if I do not vote or if I vote against its approval?	Yes, if the Schemes are approved and become Effective, then: <ul style="list-style-type: none"> – any Sino Gold shares held by you at 5.00pm¹ on the Record Date will be transferred to Eldorado Pacific; and – any Sino Gold options held by you at 5.00pm¹ on the Record Date will be cancelled, and you will receive the Scheme Consideration, notwithstanding that you did not vote, or that you voted against the Scheme(s) relevant to you. <i>See sections 7.3 and 7.4 for more information.</i>
20. What will happen if a Scheme is not approved?	If the Share Scheme is not approved by Sino Gold shareholders or the Court, neither Scheme will become Effective and the Merger will not proceed. In this case, Sino Gold securityholders will not receive the Scheme Consideration but will retain their Sino Gold securities (with Sino Gold shares continuing to be quoted on ASX and listed on HKSE) and Sino Gold will remain a stand-alone entity. If the Option Scheme is not approved by Sino Gold optionholders or the Court, the Share Scheme (assuming it is approved) may still become Effective if Eldorado waives the condition that the Option Scheme be approved. In this case, Sino Gold optionholders will need to consider whether to retain their Sino Gold options or to exercise them before the deadline to do so (5.00pm ¹ on the Business Day before the Record Date) and participate in the Share Scheme. If Sino Gold options are retained, they may be subject to compulsory acquisition by Eldorado. <i>See section 7.8 for more information.</i>

Note:

1 2.00pm Hong Kong time.

Frequently asked questions

Eldorado securities

21. What is the difference between Eldorado CDIs and new Eldorado shares?

CDIs are an instrument through which shares of foreign companies can be traded on ASX. Each Eldorado CDI will represent a beneficial interest in one Eldorado share and will have rights that are economically equivalent to the rights attaching to an Eldorado share. Eldorado CDIs will be quoted and traded on ASX in Australian dollars – they will not be quoted and traded on TSX or NYSE.

New Eldorado shares are fully paid common shares in the capital of Eldorado ranking equally in all respects with all other common shares then outstanding. New Eldorado shares will be listed and traded on TSX in Canadian dollars and NYSE in United States dollars – they will not be quoted and traded on ASX.

A holder of Eldorado CDIs will not be a registered Eldorado shareholder. Instead, Eldorado shares represented by Eldorado CDIs will be held by CDN, a subsidiary of ASX. An Eldorado CDI holder can direct CDN to vote, in accordance with the CDI holder's directions, the Eldorado shares represented by its Eldorado CDIs (or appoint the CDI holder or another person to do so). If CDN does not receive instructions to vote Eldorado shares representing any CDIs, those shares will not be voted.

Eldorado CDIs will be able to be exchanged for Eldorado shares and vice versa.

The number of Eldorado CDIs listed on ASX will be less than the number of Eldorado shares listed on TSX and NYSE. It is likely that the market for Eldorado CDIs will be less liquid than the market for Eldorado shares on TSX and NYSE. This may have the effect of reducing the volume of Eldorado CDIs that can be bought and sold on ASX and the speed with which they can be bought and sold. This reduced liquidity may also result in Eldorado CDIs trading at a discount to Eldorado shares on TSX and NYSE. However, as mentioned above, a holder of Eldorado CDIs can exchange their Eldorado CDIs for Eldorado shares tradeable on TSX and NYSE, should the holder wish to access these markets.

See sections 6.5 and 8.4 for more information.

-
- 22. When can I start trading my Eldorado securities?**
- Trading in Eldorado CDIs on ASX is expected to commence on a deferred settlement basis on Monday, 7 December 2009 and on a normal settlement basis on Wednesday, 16 December 2009. The actual dates will be announced by ASX and published on Sino Gold's website (www.sinogold.com.au).
- Trading in new Eldorado shares on TSX and NYSE is expected to commence on Tuesday, 15 December 2009 (at local times). The actual date will be announced by Eldorado, and published on Sino Gold's website (www.sinogold.com.au).
- The exact number of Eldorado securities to be issued to you will not be known until after the Record Date and will not be confirmed to you until you receive your holding statement (for Eldorado CDIs) or share certificate (for Eldorado shares) following the Implementation Date. It is your responsibility to confirm your holding of Eldorado securities before you trade them to avoid the risk of committing to sell more than will be issued to you.
-
- 23. Can I sell my Sino Gold shares on ASX or HKSE?**
- You can sell your Sino Gold shares on ASX or HKSE (as applicable) up to and including the Effective Date. If you sell your Sino Gold shares on ASX or HKSE:
- you may pay brokerage fees and, in the case of HKSE, stock settlement and trading fees and stamp duty on the sale;
 - you will not share in the potential future benefits of being an Eldorado shareholder; and
 - there may be different tax consequences for you compared to those that would arise under the implementation of the Share Scheme.
- See section 7.7 for more information.*
-
- 24. Will I be able to trade my Eldorado securities on HKSE? What are my options?**
- No, Eldorado is not admitted, and does not intend to seek admission, to HKSE.
- If you are a holder of Sino Gold shares on the Sino Gold Hong Kong Share Register (including through CCASS), see section 7.7 for a discussion of options available to you.
-

Frequently asked questions

Implementation

25. What approvals are required and what conditions must be satisfied to give effect to the Schemes?

In addition to the approval of the Scheme Meetings and the Court, implementation of the Merger is subject to a number of other Conditions Precedent, including:

- no order being issued by any court or government agency preventing the Merger is in effect at 8.00am¹ on the Second Court Date;
- there being no material adverse changes or prescribed occurrences affecting Sino Gold or Eldorado between 26 August 2009 and 8.00am¹ on the Second Court Date;
- ASX admitting Eldorado to its official list and giving approval for the official quotation of Eldorado CDIs;² and
- TSX and NYSE giving approval for the listing of new Eldorado shares.

At the date of this booklet, neither Sino Gold nor Eldorado is aware of any actual circumstance which could cause the outstanding Conditions Precedent not to be satisfied.

See section 7.17 for a summary of all the Conditions Precedent.

26. Under what circumstances can Sino Gold or Eldorado terminate the Merger?

The Scheme Implementation Deed provides for various situations where one of or both Sino Gold and Eldorado may terminate the Merger. These include termination rights arising upon:

- the failure of a condition precedent which is not waived or cannot be waived;
- a material adverse change or prescribed occurrence affecting Sino Gold or Eldorado;
- a change, withdrawal or modification of the recommendation of Sino Gold directors in certain circumstances (including as a result of a Superior Proposal);
- a breach of certain representations and warranties made by Sino Gold or Eldorado; and
- a material breach of the Scheme Implementation Deed by Sino Gold or Eldorado.

Under some circumstances, the exercise of termination rights will trigger an obligation by Sino Gold or Eldorado to pay a break fee of A\$21 million (plus GST, if applicable) to the other.

At the date of this booklet, neither Sino Gold nor Eldorado is aware of any actual circumstance which gives either of them a right of termination.

See sections 7.20 and 7.21 for more information.

27. What will happen if a Superior Proposal emerges?

If a Superior Proposal emerges, Sino Gold directors will carefully consider it and advise you of their recommendation. If Sino Gold directors withdraw or adversely modify their recommendation concerning the Schemes, Sino Gold will be obliged to pay a break fee of A\$21 million (plus GST, if applicable) to Eldorado.

See sections 7.19 and 7.20 for more information.

28. What changes will occur to the Sino Gold Board in connection with the implementation of the Merger?

If the Share Scheme becomes Effective, Sino Gold must appoint additional directors so that at least half its directors are Eldorado nominees. Then, on or before the Implementation Date, it must ensure that all but two (to be nominated by Eldorado) of its existing directors resign. See section 7.16 for more information.

Eldorado has invited James Askew (the Chairman of Sino Gold) and Peter Cassidy (a non-executive director of Sino Gold) to become non-executive directors on the Eldorado Board. *See sections 7.16 and 12.2 for more information.*

Notes:

1 5.00am Hong Kong time.

2 In certain circumstances, the Schemes may be implemented without this occurring, in which case new Eldorado shares will be issued instead of Eldorado CDIs.

Other issues

- 29. What are the tax implications of the Merger?**
- Section 9 provides a general guide to Australian taxation considerations arising from the Schemes for certain Sino Gold securityholders.
- Section 10 provides a general guide to Canadian federal income tax considerations arising from the holding of Eldorado securities.
- However, you should seek professional tax advice in relation to your own personal circumstances.
-
- 30. Will I have to pay brokerage fees or stamp duty under the Share Scheme?**
- No brokerage fees or stamp duty will be payable by you on the implementation of the Share Scheme.
-
- 31. What are the forms that accompanied this booklet?**
- Depending on the Sino Gold securities you hold, one or more of the following forms should have accompanied this booklet:
- **Proxy Form** – there is a yellow form for the Share Scheme Meeting, a green form for Option Scheme Meeting 1 and a grey form for Option Scheme Meeting 2. You should complete and return the appropriate Proxy Form for each Scheme Meeting relevant to you if you would like to vote but cannot attend in person.
 - **Sale Election Form** – there is a blue form for the Share Scheme and a white form for the Option Scheme. You should complete and return the appropriate Sale Election Form if you think you might be a Retail Securityholder under a Scheme at 5.00pm¹ on the Record Date and would prefer to have the Eldorado shares that would otherwise have been issued for you issued to the Sale Agent, as your nominee in trust, for sale on market following implementation of the Schemes, and receive a pro rata share of the net proceeds converted into Australian dollars from the sale of all Eldorado shares sold through the Sale Facility.
- If you are missing a form, you can obtain a new one from the Sino Gold Scheme Registry (see contact details on the inside back cover of this booklet).
- A **Share Election Form**, which you can use to elect to receive Eldorado shares listed on TSX and NYSE instead of Eldorado CDIs quoted on ASX, was not sent with the booklet but can be obtained from the Sino Gold Scheme Registry.
- Each form includes instructions for its completion and return.
-
- 32. Whom can I speak to if I have other questions?**
- If you have any other questions after reading this booklet, please call the Sino Gold Securityholder Information Line on 1300 819 121 (from within Australia, toll free), 2862 8666 (from within Hong Kong) or +61 3 9415 4231 (from elsewhere).
- If you do not know what to do, you should consult your financial, legal, tax or other professional adviser promptly.**
-

Note:

1 2.00pm Hong Kong time.

Explanation of why you should vote in favour of the Scheme(s) relevant to you

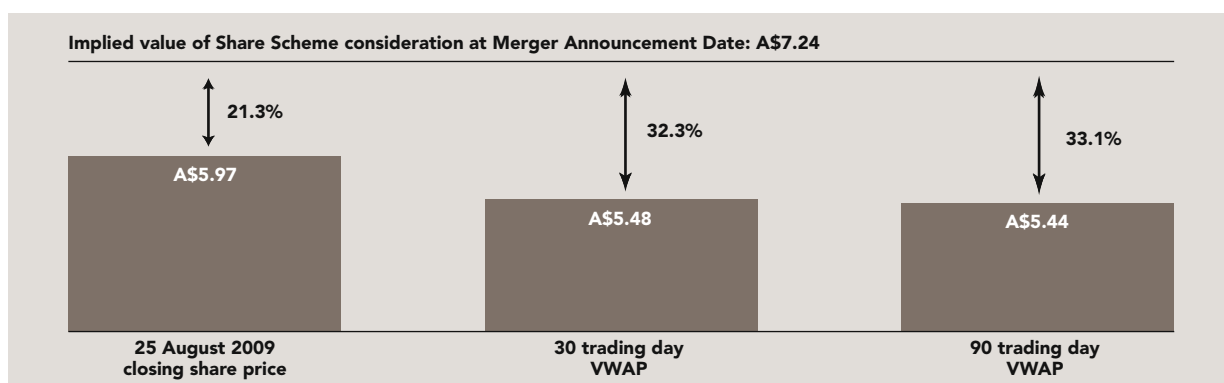
1

Taken at announcement, the Scheme Consideration represents an attractive upfront premium to the trading price of Sino Gold shares.

Based on the Eldorado closing share price of C\$11.96 on the day prior to the Merger Announcement Date (26 August 2009) and an A\$:C\$ exchange rate of 0.9081,¹ the Scheme Consideration implies a value of A\$7.24 per Sino Gold Share, representing a premium of:

- 21.3% to Sino Gold’s closing price on 25 August 2009, the day prior to the Merger Announcement Date;
- 32.3% to the 30 trading day VWAP of Sino Gold shares prior to the Merger Announcement Date; and
- 33.1% to the 90 trading day VWAP of Sino Gold shares prior to the Merger Announcement Date.

IMPLIED PREMIUM TO THE SINO GOLD SHARE TRADING PRICE AT THE MERGER ANNOUNCEMENT DATE

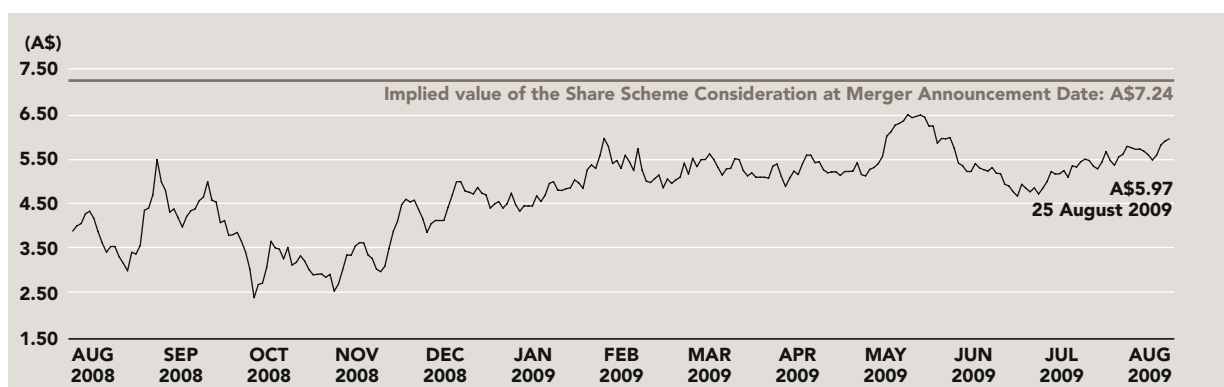


Source: Bloomberg (see section 12.6).

Sino Gold securityholders should note, however, that the implied value of the Scheme Consideration will change from time to time based on movements in the Eldorado share price and in the C\$:A\$ exchange rate. Based on the closing Eldorado share price on TSX of C\$12.53 on 23 October 2009, being the latest practicable date prior to the finalisation of this booklet, and an A\$:C\$ exchange rate of 0.9720,² the implied value of the Scheme Consideration was A\$7.09 per Sino Gold share. The implied value of the Scheme Consideration has been as high as A\$7.68 per share and as low as A\$6.55 per share between the Merger Announcement Date and that date.³

As the following chart illustrates, the implied value of the Scheme Consideration of A\$7.24 per Sino Gold share on the Merger Announcement Date is in excess of the value at which Sino Gold Shares traded over the preceding 12 months.

SINO GOLD SHARE PRICE FOR THE 12 MONTHS PRIOR TO THE MERGER ANNOUNCEMENT DATE



Source: Bloomberg (see section 12.6).

Notes:

- 1 Based on the exchange rate at 5.00pm close of trade in New York on 25 August 2009.
- 2 Based on the exchange rate at 5.00pm close of trade in New York on 23 October 2009.
- 3 Based on daily closing prices for Eldorado shares on TSX and an A\$:C\$ exchange rate at 5.00pm close of trade in New York on each trading day.

1 Explanation of why you should vote in favour of the Scheme(s) relevant to you

Sino Gold securityholders will be able to participate in the potential benefits resulting from the scale, scope and growth profile of the Combined Group.

Sino Gold securityholders will receive Eldorado CDIs or Eldorado shares as Scheme Consideration, unless they are Retail Securityholders who have elected to participate in the Sale Facility or are Ineligible Foreign Securityholders. Accordingly, through their ownership in Eldorado following implementation of the Schemes, Sino Gold securityholders will share in any benefits of the Merger.

The Merger creates an intermediate size gold producer with a strong financial position and unhedged production.

With the successful implementation of the Merger, the Combined Group will benefit from enhanced scale and scope as a global intermediate size gold producer.

Taken at announcement, the Combined Group would have had a pro forma market capitalisation of approximately US\$5.9 billion¹ (A\$7.1 billion²), compared to Sino Gold's market capitalisation of approximately US\$1.5 billion.³ In addition, the Combined Group would have had a strong balance sheet position: on a pro forma basis at 30 June 2009 the Combined Group would have had significant cash resources of US\$261 million (including restricted cash) and financial debt of US\$183 million.⁴ Furthermore, the Combined Group would have total assets of US\$3.4 billion compared to Sino Gold's total assets of US\$819 million on a pro forma basis at 30 June 2009.⁴ On implementation of the Schemes, Sino Gold securityholders would become part of a Combined Group with a strong position in the intermediate gold sector.

	Eldorado	Sino Gold	Combined Group (pro forma)
Market capitalisation (US\$ billion) ⁽¹⁾	4.4	1.5	5.9
Cash (US\$ million) ⁽²⁾	111 ⁽³⁾	149 ^{(4),(5)}	261
Debt (US\$ million) ⁽²⁾	5	178 ⁽⁵⁾	183
2009F production guidance (000s oz Au) ⁽⁶⁾	325–340	210	535–550
2009F cash operating cost guidance (US\$/oz Au) ⁽⁶⁾	300	400	340

(1) See footnote 1 in section 5.1.

(2) At 30 June 2009. See section 5.3 for information on the preparation of pro forma financial information for the Combined Group.

(3) After deducting US\$30 million in estimated transaction costs for Eldorado. Includes restricted cash of US\$5.5 million.

(4) Includes restricted cash of US\$50.0 million.

(5) Based on A\$:US\$ exchange rate of 0.8114.

(6) See footnotes 3 and 4 in section 5.1.

The diagram on the following page shows the pro forma market capitalisation of the Combined Group and the market capitalisation of Sino Gold, Eldorado and other intermediate size gold producers at 25 August 2009 (the day before the Merger Announcement Date). The Combined Group would have had at that date a pro forma market capitalisation in excess of Lihir Gold Limited, the second largest gold mining company with an ASX primary listing, on the basis of market capitalisation.

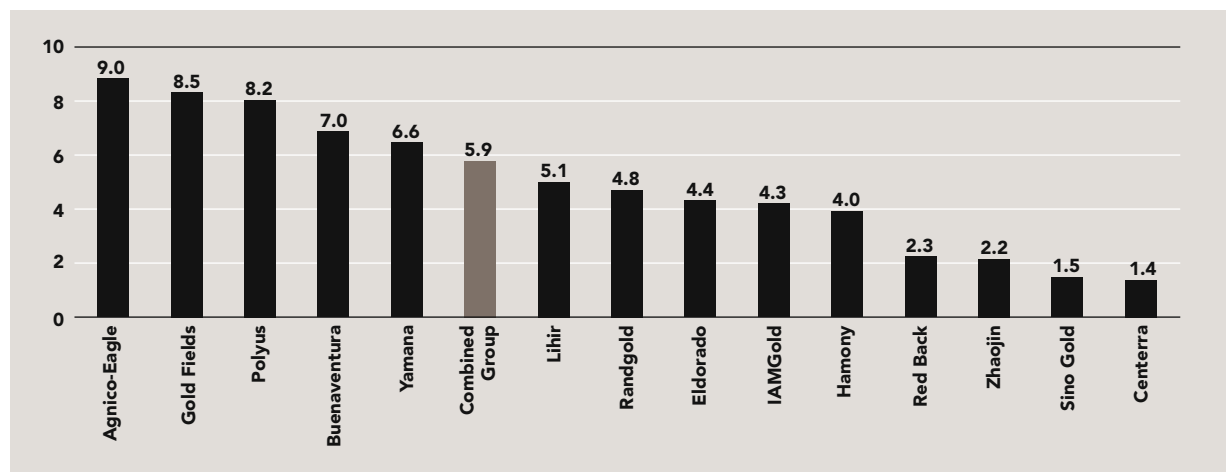
NOTES:

1 See footnote 1 in section 5.1.

2 Based on an A\$:US\$ exchange rate of 0.8358 on 25 August 2009 (the day before the Merger Announcement Date).

3 Based on the A\$5.97 ASX closing price of Sino Gold shares on 25 August 2009 and an A\$:US\$ exchange rate of 0.8358.

4 See section 5.3 for information on the preparation of pro forma financial information for the Combined Group.

 MARKET CAPITALISATION OF INTERMEDIATE SIZE GOLD PRODUCERS AT MERGER ANNOUNCEMENT DATE (US\$ BILLION)


Source: Bloomberg (see section 12.6).

In addition, the Merger will allow Sino Gold securityholders to become part of the Combined Group benefiting from the scale of four producing mines, three principal development projects and selected exploration across four countries. Consequently, the Combined Group is expected to be in a better position to fund its existing suite of development projects as a result of enhanced operational and financial strength.

The Combined Group is also expected to benefit from this increased scale through stronger relationships with the different stakeholders involved in the operations of the Combined Group, including suppliers of consumables and mining service providers.

The Merger gives Sino Gold securityholders exposure to a more geographically and operationally diversified portfolio of high quality and relatively low-cost assets.

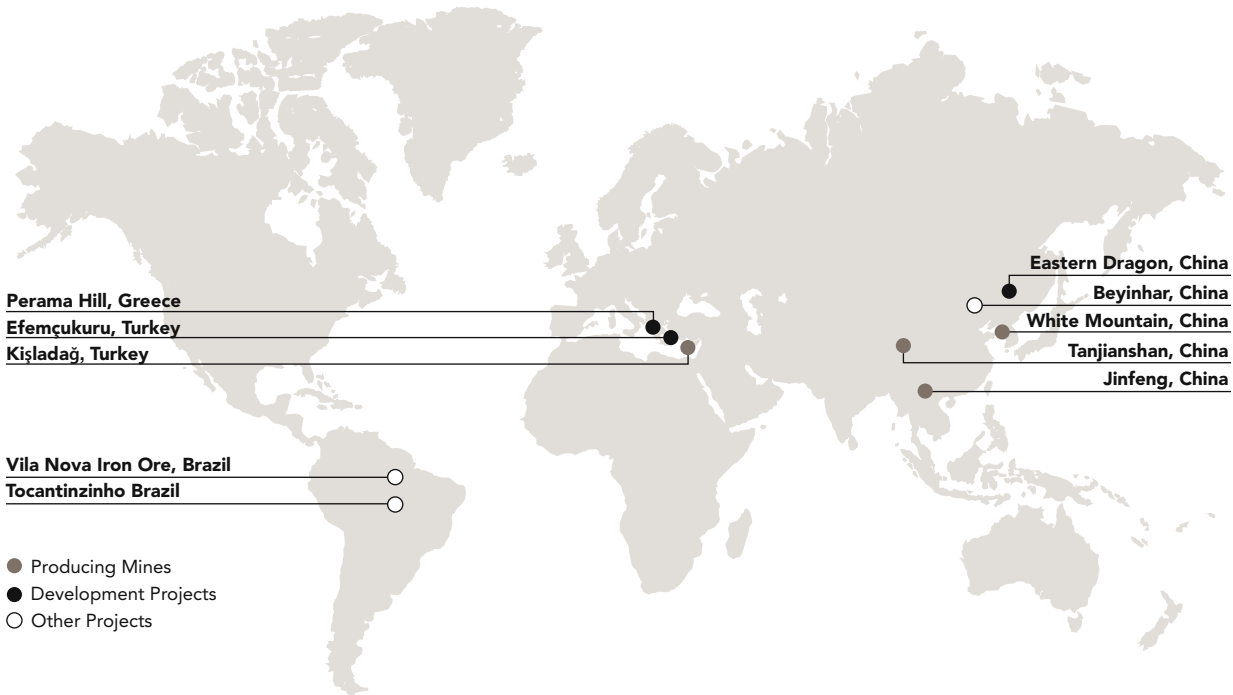
The Merger gives an opportunity for Sino Gold securityholders to participate in the benefits of a larger and more diversified portfolio of high quality and relatively lower-cost assets, while retaining a significant exposure to the promising Chinese gold sector.

On a stand-alone basis, Sino Gold currently has geographic exposure only to China as its two operating mines (Jinfeng and White Mountain), its principal development project (Eastern Dragon) and its exploration program are all based in China. On implementation of the Merger, Sino Gold securityholders will gain exposure to a more diversified and balanced footprint of high quality operating mines, development projects and exploration projects across the prospective gold regions of China, Turkey, Greece and Brazil. This broader operational and geographic footprint should provide the Combined Group with a more diversified country risk profile.

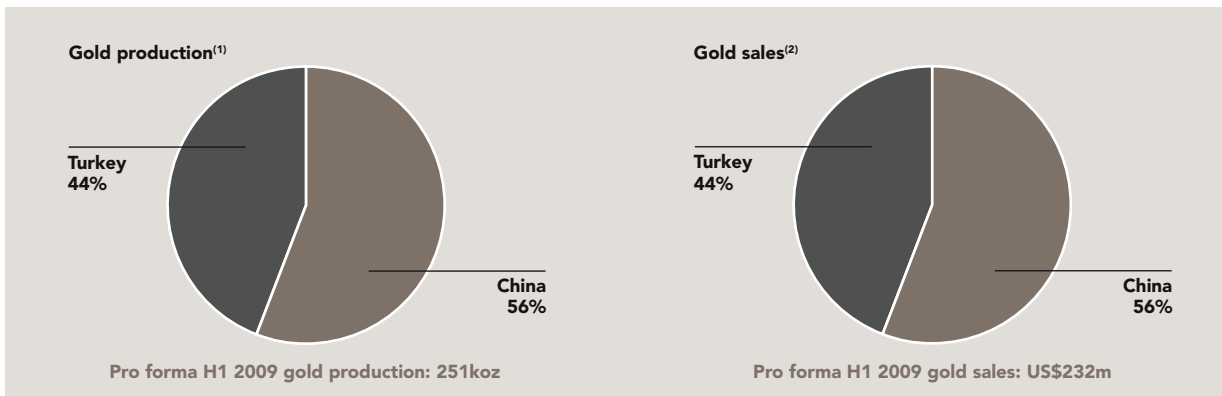
The Combined Group will also enjoy a clear leadership position among international gold producers in China as Sino Gold's Chinese operations will be complemented by Eldorado's Tanjianshan operating mine located in Qinghai Province (China).

1 Explanation of why you should vote in favour of the Scheme(s) relevant to you

GEOGRAPHIC PRESENCE OF THE COMBINED GROUP



GEOGRAPHIC BREAKDOWN OF PRO FORMA H1 2009 PRODUCTION AND GOLD SALES



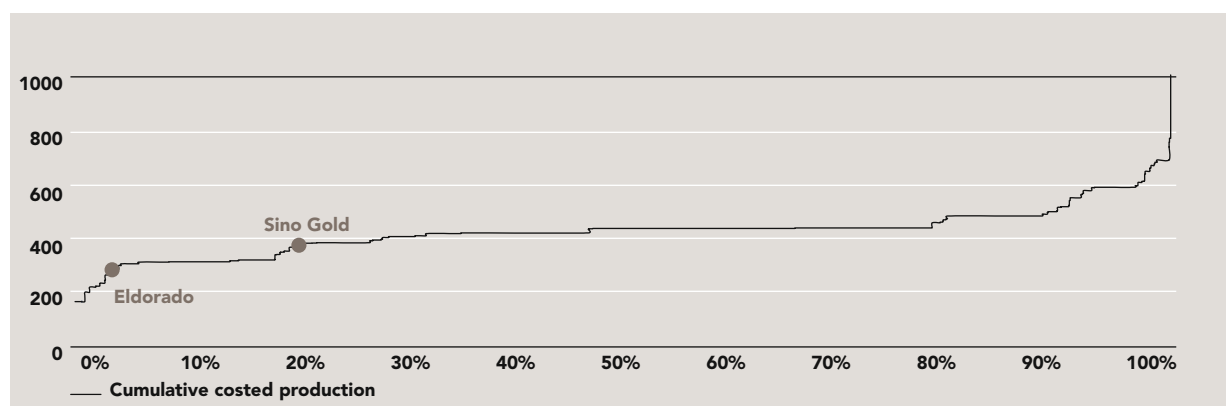
(1) Production calculated on a 100% consolidated basis with no adjustment for minority interests.
 (2) Sino Gold revenue converted from A\$ to US\$ based on an average A\$:US\$ exchange rate of 0.7119 over H1 2009.

If the Merger is implemented, Sino Gold securityholders will also maintain an exposure to a portfolio of quality assets characterised by a favourable low-cost positioning. Sino Gold expects its cash operating costs of production in 2009 to be below US\$400 per gold ounce. Similarly, Eldorado has low cost operations and expects its 2009 cash operating costs of production to be approximately US\$300 per gold ounce.¹

The Combined Group will thus enjoy a strong position with relatively low cash operating costs when compared to the broader gold industry. The following chart illustrates that both Sino Gold and Eldorado were situated within the lowest quartile of cash operating costs for H1 2009 among global gold producers.

Note:
 1 See footnotes 3 and 4 in section 5.1.

H1 2009 GOLD PRODUCER CASH OPERATING COST CURVE (US\$ PER OUNCE)



©GFMS Limited.

'Cash operating costs' relates to the direct cash cost through to refined gold, after allowing for by-product credits. It excludes royalties, production taxes, depreciation, depletion/amortisation and all other indirect costs.

'Cumulative costed production' relates to the assembly of mines/companies' production (totalling 598 tonnes of costed production for H1 2009) in ascending order of cost, with the lowest cost mine/company represented by the first plot at 0%, and the highest cost mine/company represented as the uppermost plot at 100%. This representation allows the ranking of a given mine/company by its cost, expressed as a percentage.

The Merger therefore presents a valuable opportunity to step-up the scale of the portfolio and to expand the exposure to high quality low-cost assets in a way that would be more difficult and time consuming for Sino Gold to match through organic growth in China and potential acquisitions. If the Merger is not implemented, Sino Gold directors believe that the process of building a portfolio of gold assets of similar size and quality could take a number of years. Furthermore, the alternative growth path may require more exploration, development and operating risks and may involve usual risks associated with an external acquisition strategy. See section 9.4 of the Independent Expert's Report for a discussion of the stand-alone alternative.

The Merger provides an attractive platform for growth.

In addition to providing access to a more diversified portfolio of projects, the Combined Group will benefit from a highly attractive growth profile through its existing organic growth pipeline and the expansion potential at existing mines. Sino Gold expects that this extensive pipeline of development and exploration projects will over time add significant value to shareholders of the Combined Group.

In terms of currently operating mines, Sino Gold securityholders are exposed to the ramp-up of operations at White Mountain and the potential expansion of operations at Jinfeng. If the Merger is implemented, this will be complemented by exposure to the production growth expected from Eldorado's Kişladağ mine in Turkey.

In terms of projects currently under development and the project pipeline, Sino Gold securityholders have the opportunity through the Merger to maintain their exposure to the development of Eastern Dragon, while gaining exposure to the development of Eldorado's Efemçukuru project in Turkey and the potential upside from the development of Perama (Greece).

1 Explanation of why you should vote in favour of the Scheme(s) relevant to you

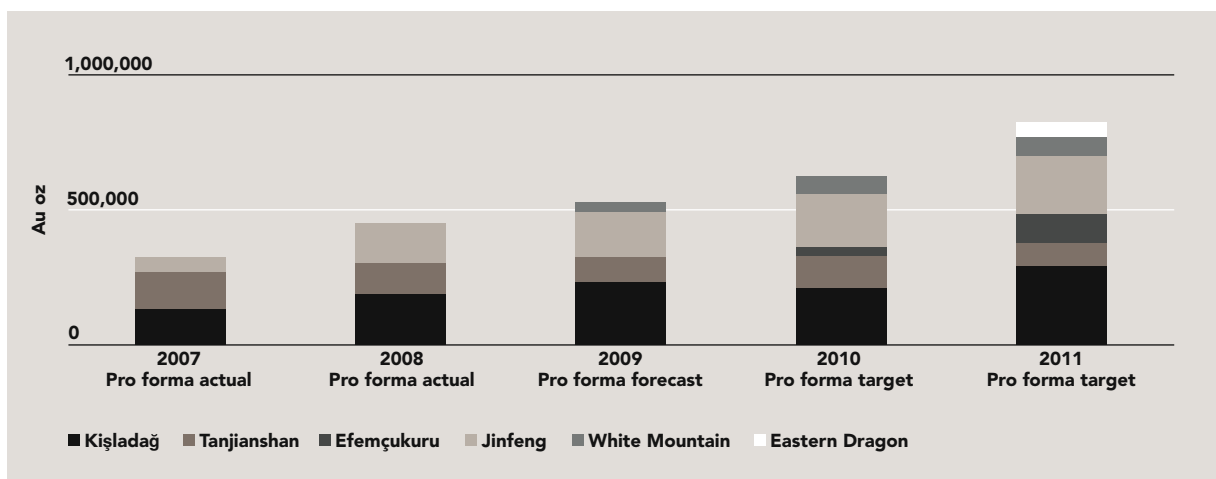
STRONG GROWTH AND DEVELOPMENT PIPELINE OF THE COMBINED GROUP

2009 White Mountain	2010 Efemçukuru	2011 Eastern Dragon	2013 Perama Hill
0.8 Moz Reserve 1.1 Moz M&I Resource	1.2 Moz Reserve 1.5 Moz M&I Resource	0.5 Moz Reserve 0.6 Moz M&I Resource	1.4 Moz M&I Resource

- (1) Figures shown on a 100% consolidated basis with no adjustment made for minority interests. Measured and indicated resources (**M&I Resources**) are inclusive of reserves. The dates given above for commencement of production for development projects are targeted dates only. **The successful development of projects and the actual dates of commencement of production are subject to a range of risks (see, in particular, sections 2, 4.1 and 6).**
- (2) See section 5.4 for the reserve and resource methodology and its assumptions and qualifications.
- (3) See section 3.4 for a discussion of the suspension of operations at White Mountain.

As a result of the Merger, Sino Gold securityholders would have access to a portfolio with production growth opportunities through the existing organic project pipeline and expansion potential at existing mines. Gold production of the Combined Group is targeted to grow from approximately 535,000 to 550,000 ounces for the year ended 31 December 2009 from four mines to a target of 850,000 ounces for the year ended 31 December 2011 from six mines.¹

TARGETED PRODUCTION GROWTH OF THE COMBINED GROUP



Note: figures shown on a 100% consolidated basis with no adjustment made for minority interests. The dates given above for commencement of production for development projects are targeted dates only. The successful development of projects and the actual dates of commencement of production are subject to a range of risks (see, in particular, sections 2, 4.1, 5 and 6).

Note:

1 See footnotes 3 and 4 in section 5.1.

The Merger is likely to result in increased stock market appeal through enhanced liquidity and visibility.

As a result of the Merger, Sino Gold securityholders will participate in the benefits associated with a larger, more liquid, and more broadly researched company.

With a pro forma combined market capitalisation of approximately US\$5.9 billion¹ (A\$7.1 billion²), the Combined Group will have more visibility among the investor community and more liquidity than Sino Gold on a stand-alone basis. Eldorado shares already enjoy significant liquidity with more than US\$56 million of daily trading on TSX and NYSE Amex, which compares to less than US\$6 million of daily trading for Sino Gold shares on ASX and HKSE.³

In addition to being able to continue to trade Eldorado CDIs on ASX through Eldorado's secondary listing in Australia, Sino Gold securityholders can also expect to benefit from the exposure to additional capital markets that will allow them to trade Eldorado shares on TSX and NYSE if they elect to receive their Scheme Consideration in the form of Eldorado shares or later exchange their Eldorado CDIs for Eldorado shares.

Sino Gold securityholders will also benefit from the strong research analyst coverage currently enjoyed by Eldorado. Eldorado is covered by 23 research analysts, while Sino Gold is currently being covered by 16 research analysts. This broad coverage will contribute to maintaining and increasing the visibility of the Combined Group among the investor community.

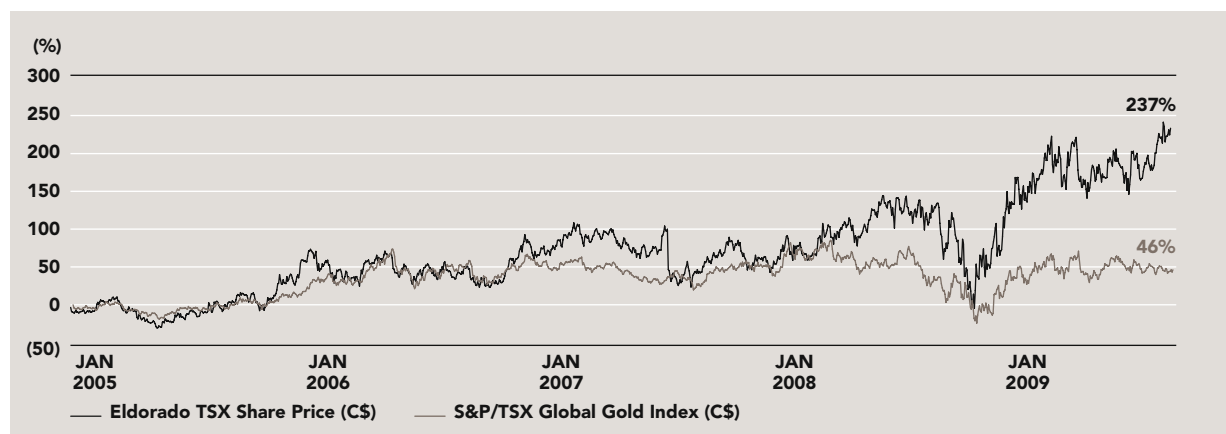
While Eldorado securities overall (i.e. Eldorado shares and CDIs) should have greater liquidity than Sino Gold shares, it is likely that the market for Eldorado CDIs on ASX will be less liquid than the market for Eldorado shares on TSX and NYSE. The issue is discussed in more detail in section 6.5. This is a factor you should take into account in deciding whether to elect to receive Eldorado shares rather than Eldorado CDIs.

The Merger combines two experienced management teams, each with a track record of shareholder value creation.

Sino Gold has demonstrated its capacity to successfully develop and operate mining operations in China, while Eldorado has experienced similar successes in Turkey, China and Brazil. The Combined Group will thus benefit from the combination of successful teams in terms of local operations, exploration and business development. Two Sino Gold directors have been invited to join the Eldorado Board upon implementation of the Merger (see section 12.2).

As a result of the Merger, Sino Gold securityholders will become shareholders in Eldorado, a company with a management team that has a strong track record in terms of shareholder value creation and stock price performance. As the graph below illustrates, Eldorado has performed strongly compared to the TSX Gold Index. In addition, in 2008, Eldorado was the best performing stock on the S&P/TSX Composite Index.

ELDORADO TSX SHARE PRICE (C\$) AND S&P/TSX GLOBAL GOLD INDEX (C\$) FROM JANUARY 2005 TO THE MERGER ANNOUNCEMENT DATE



Source: Bloomberg (see section 12.6).

Note:

- 1 See footnote 1 in section 5.1.
- 2 See footnote 2 in section 5.1.
- 3 Average daily trading value over the 90 trading days prior to the Merger Announcement Date.

1 Explanation of why you should vote in favour of the Scheme(s) relevant to you

Sino Gold shareholders who are Australian residents for taxation purposes and receive Eldorado CDIs or Eldorado shares should generally be able to obtain CGT scrip-for-scrip roll-over relief on any capital gains.

CGT roll-over relief will enable Australian tax resident Sino Gold shareholders who receive Eldorado CDIs or Eldorado shares under the Share Scheme to defer any CGT liability they would otherwise incur on the disposal of their Sino Gold shares under the Share Scheme until the time they dispose of those Eldorado CDIs or Eldorado shares. See section 9 for further details on certain Australian taxation considerations, including the availability of CGT roll-over relief.

CGT scrip-for-scrip roll-over relief is not available for capital gains on Sino Gold options.

Retail Securityholders (as defined) may elect to have the Eldorado shares that would otherwise have been issued for them issued to the Sale Agent, as their nominee in trust, for sale on market following implementation of the Schemes. Those who so elect will receive a pro rata share of the net proceeds converted into Australian dollars from the sale of all Eldorado shares sold through the Sale Facility. No brokerage fees will be payable.

A Retail Securityholder under a Scheme is any Sino Gold securityholder who is entitled to receive 55,000 or less Eldorado CDIs under that Scheme. All the Retail Securityholders under a Scheme who elect to participate in the Sale Facility will have the Eldorado shares that would otherwise have been issued for them under the Scheme issued to the Sale Agent as their nominee in trust to sell on market following implementation of the Schemes. These Eldorado shares will be sold by the Sale Agent in the 15 TSX Trading Day period following the Implementation Date.

There is no guarantee of the amount of cash a Sale Facility Participant will receive. This will depend on the prices that can be achieved by the Sale Agent for the sale of Eldorado shares, prevailing C\$:A\$ exchange rates at the time of conversion and applicable taxes and currency conversion costs.

See section 8.5 for more information, including the process by which the Sale Agent will sell Eldorado shares and distribute net proceeds and information on how to make an election.

If the Schemes are not approved, and no alternative proposal emerges, the Sino Gold share price may fall.

If the Share Scheme is not approved by Sino Gold shareholders or the Court, neither Scheme will become Effective and the Merger will not proceed. If the Option Scheme is not approved by Sino Gold optionholders or the Court, the Share Scheme (assuming it is approved) may still become Effective (and the Merger proceed) but only if Eldorado waives the condition that the Option Scheme be approved.

If the Merger does not proceed, Sino Gold securityholders will not receive the Scheme Consideration but will retain their Sino Gold securities (with Sino Gold shares continuing to be quoted on ASX and HKSE) and Sino Gold will remain a stand-alone entity. As a stand-alone entity, Sino Gold would continue to execute its organic growth strategy in China, which would involve the associated risks of achieving its plan, including its stated objectives in terms of production growth and cash costs.

If the Merger does not proceed, Sino Gold directors expect that the Sino Gold share price would be likely to trade below current trading levels (although it is difficult to predict the Sino Gold share price movement with any degree of certainty). In section 9.4 of the Independent Expert's Report, the Independent Expert, Grant Samuel, states that it 'believes that if the [Merger] was not implemented there would be a risk of a material decline in Sino Gold's share price'.

The Independent Expert, Grant Samuel, has concluded that the Merger is in the best interests of Sino Gold securityholders, in the absence of a Superior Proposal.

Grant Samuel has estimated that the full underlying value of Sino Gold, including a control premium, is in the range A\$5.98–A\$6.76 per Sino Gold share. Grant Samuel has attributed value of A\$6.66–A\$7.24 per Sino Gold share to the Scheme Consideration, based on recent Eldorado share prices of C\$11.50–C\$12.50 per share. The value attributed to the Scheme Consideration falls at the top end of the valuation range for Sino Gold. Accordingly, Grant Samuel has concluded that the Schemes are fair and reasonable, and therefore in the best interests of Sino Gold securityholders.

Grant Samuel's Independent Expert's Report is included in annexure A. Section 9 of the report contains the evaluation of the Eldorado proposal, and sets out Grant Samuel's summary opinion and conclusions, together with an assessment of the likelihood of an alternative proposal and of a stand-alone alternative. Sino Gold securityholders are encouraged to read the report in its entirety.

Explanation of why you may consider voting against the Scheme(s) relevant to you

2

Change in risk profile and risks of investment in the Combined Group.

If the Schemes are implemented, there will be a change in the risk profile to which Sino Gold securityholders are exposed.

Sino Gold will become part of Eldorado and Sino Gold securityholders will become securityholders in Eldorado. As a result, Sino Gold securityholders will be exposed to new risks relating to Eldorado and its operations (including country risk in Turkey, Greece and Brazil), and to certain additional risks related to the integration of Sino Gold and its operations within Eldorado. In a number of cases, those risks are different from and additional to those currently faced by Sino Gold securityholders. The change in risk profile may be seen to be a disadvantage by some Sino Gold securityholders.

Section 6 discusses the potential risk factors relating to the Merger, the Combined Group and Eldorado securities. Sino Gold securityholders are encouraged to read that section in its entirety. Of those risks, Sino Gold directors wish to draw the attention of Sino Gold securityholders to the following matters.

Litigation in relation to the Kışladağ mine

Eldorado's Kışladağ mine in Turkey, which is in production, has for some time been the subject of litigation by third parties seeking to cancel the environmental approval for the mine. As a result of this litigation, in July 2007 the Turkish courts ordered the shutdown of mining operations pending a decision on the case, and the mine remained closed until March 2008. Although the mine has now re-opened, the litigation is continuing (see section 4.3 for a summary of the litigation). Eldorado believes that it will successfully defend this litigation, but that if it is unsuccessful, its ability to conduct mining operations at Kışladağ may be adversely affected, which may adversely affect production and revenue from Kışladağ.

Litigation in relation to the Efemçukuru project

Eldorado's Efemçukuru development project in Turkey, which is scheduled to commence commercial production in 2011, has also for some time been the subject of litigation in relation to its environmental approval (see section 4.3 for a summary of the litigation). Again, Eldorado has advised that while it believes that it will successfully defend this litigation, if it is unsuccessful, its ability to conduct mining operations at Efemçukuru may be adversely affected, which may adversely affect development, production and revenue from Efemçukuru.

Efemçukuru project land acquisition requirements

Eldorado continues to complete the remaining land acquisition and permitting requirements in relation to the Efemçukuru project. Eldorado has advised that as of 30 June 2009, approximately 78% of the private land which is required to conduct mining operations at Efemçukuru had been acquired. While Eldorado continues to work with villagers and government to acquire the balance of the land required for the project, either through direct negotiations or regulated expropriation procedures, there is a risk that Eldorado will not be able to acquire the necessary land, or that it takes longer than expected, so that commercial production from Efemçukuru cannot commence or is delayed.

Currency exchange rate risk profile

Sino Gold securityholders will receive as Scheme Consideration either Eldorado CDIs or Eldorado shares in return for the transfer of their Sino Gold shares or the cancellation of their Sino Gold options. Sino Gold shares principally trade on ASX in A\$ (with a much smaller volume traded on HKSE in HK\$). Eldorado shares trade on TSX in C\$ and on NYSE in US\$. Eldorado CDIs will trade on ASX in A\$.

The A\$ value of Eldorado shares will be determined by their C\$ and US\$ trading prices and prevailing A\$:C\$ and A\$:US\$ exchange rates. Sino Gold securityholders should not assume that they will be able to avoid or mitigate the impact of potential exchange rate fluctuations by holding Eldorado CDIs because the C\$ and US\$ trading prices of Eldorado shares and prevailing A\$:C\$ and A\$:US\$ exchange rates are expected to substantially influence the A\$ trading price of Eldorado CDIs.

See section 6.2 for more information about the potential risk of currency exchange rate fluctuations.

Grant Samuel in the Independent Expert's Report has also considered the environmental risks in relation to Eldorado's Kışladağ gold mine and Efemçukuru project (see, in particular, section 9.5 of that report). Grant Samuel notes that 'Eldorado's shares are trading at multiples of reserves, resources, production and earnings that are high relative to its peer group', and that 'any extreme manifestation of these risks (such as a further interruption to production from Kışladağ or failure to secure the approvals required to commence development of the Efemçukuru gold project) could have a material adverse effect on the Eldorado share price. The extent of this effect could be exacerbated by a market re-assessment of the premium rating that Eldorado shares currently enjoy'.

2 Explanation of why you may consider voting against the Scheme(s) relevant to you

The investment profile for Sino Gold securityholders will change.

While Sino Gold and Eldorado are both gold producers, the operational profile, capital structure, size and geography of the Combined Group will be different from that of Sino Gold on a stand-alone basis. In particular, Sino Gold operations and development projects are solely located in China, while Eldorado has operations in Turkey and China, and development and exploration projects in Turkey, Greece and Brazil.

It is possible that certain Sino Gold securityholders may wish to maintain an interest in Sino Gold as a stand-alone entity because they are seeking an investment in a listed company with the specific characteristics of Sino Gold (such as its current operational profile, capital structure and geography). The change in investment profile on implementation of the Schemes would be a disadvantage to such securityholders.

Sino Gold securityholders may consider that the time is not yet right for this transaction.

Sino Gold securityholders may consider that Sino Gold should continue to develop its existing asset portfolio and consider acquisitions before looking to secure a merger with another gold producer. See section 9.4 of the Independent Expert's Report for Grant Samuel's assessment of the stand-alone alternative.

A Superior Proposal for Sino Gold may yet emerge.

It is possible that a Superior Proposal for Sino Gold, which is more attractive for Sino Gold securityholders than the Schemes, may materialise in the future. The implementation of the Schemes would mean that Sino Gold securityholders would not obtain the benefit of any such proposal.

The Sino Gold Board is not currently aware of any such proposal and notes that since the Merger Announcement Date, there has been a significant period of time and ample opportunity for an alternative proposal for Sino Gold which provides a different outcome for Sino Gold securityholders to emerge.

While Sino Gold has agreed to certain exclusivity provisions that restrict it from encouraging, or engaging with, the proponent of a Third Party Transaction, the restrictions do not prevent Sino Gold from entering into negotiations for a Third Party Transaction where the Sino Gold Board determines, after taking advice, that it is more favourable to Sino Gold shareholders having regard to relevant factors than the Share Scheme.

The exact value of the Scheme Consideration on implementation of the Schemes is not certain.

Under the terms of the Schemes, Sino Gold securityholders will receive as Scheme Consideration either Eldorado CDIs or Eldorado shares. The exact value of the Scheme Consideration on the Implementation Date will be dependent on the price at which the Eldorado CDIs or Eldorado shares trade on or about that date. This may fluctuate significantly in the period up to the implementation of the Schemes, including because of changes in the trading price of Eldorado shares on TSX and NYSE and currency exchange rate fluctuations.

In the case of Retail Securityholders who elect to participate in the Sale Facility and Ineligible Foreign Securityholders, the Sale Agent will receive Eldorado shares as their nominee in trust to sell on market as soon as reasonably practicable after implementation of the Schemes (see section 8.5). There is no guarantee regarding the prices that will be realised by the Sale Agent and it is possible that such sales may exert downward pressure on the price of Eldorado CDIs and Eldorado shares during this period.

Following implementation of the Schemes, the price of ASX listed Eldorado CDIs and of TSX and NYSE listed Eldorado shares might change.

Following the implementation of the Schemes, the value of Eldorado CDIs or Eldorado shares received as Scheme Consideration may rise or fall based on market conditions and the financial and operational performance of the Combined Group. If the price of Eldorado CDIs or Eldorado shares falls, the value of the securities received by Sino Gold securityholders as Scheme Consideration will decline in value. Accordingly, there is no guarantee that Sino Gold securityholders will actually realise the implied value of the Scheme Consideration to be received under the Schemes.

Profile of Sino Gold

3

3 Profile of Sino Gold

Sino Gold is a leading international gold exploration and mining company in China. It is a public company incorporated in New South Wales with its head office in Sydney. It is admitted to the official list of ASX (ticker: SGX) and maintains a secondary listing on HKSE (ticker: 1862).

3.1 History

The history of Sino Gold can be traced back to 1995 when China National Non-Ferrous Metals Industry Corporation, a Chinese state-owned company, formed Sino Mining International Limited, Sino Gold's founding shareholder.

Key milestones in Sino Gold's development include the following.

1995	Sino Mining International Limited established by China National Non-Ferrous Metals Industry Corporation.
1998	Jianchaling mine commissioned.
2000	Sino Gold formed from a spin-off of Sino Mining International Limited's gold business, including the Jianchaling mine.
2002	Initial public offering and admission to the official list of ASX.
2004	Feasibility study for Jinfeng mine completed.
2005	Development of Jinfeng commenced.
2006	Jianchaling mine divested.
2007	Secondary listing on HKSE. First gold poured at Jinfeng. Development of White Mountain commenced. Successful takeover bid for Golden China (owner of Beyinhar). Acquisition of Eastern Dragon.
2008	First gold poured at White Mountain. A\$204 million equity raising comprising A\$68 million placement to Gold Fields Limited and A\$136 million to existing shareholders through a 2 for 15 accelerated renounceable entitlement offer. Gold hedge book closed out.
2009	Development of Eastern Dragon approved by Sino Gold Board. Gold Fields sells its 19.8% shareholding in Sino Gold to Eldorado. Sino Gold and Eldorado announce the Merger.

3.2 Overview of operations and projects

Sino Gold operates two gold mines in China, with its Jinfeng (82% interest) and White Mountain (95% interest) gold mines forecast to produce approximately 210,000 gold ounces during 2009 at a cash operating cost of less than US\$400 per gold ounce.¹ The high-grade Eastern Dragon Project (95% interest) is being progressed towards becoming Sino Gold's third operating mine and Sino Gold continues to assess the potential of the Beyinhar (95% interest) heap-leach project. In addition, Sino Gold maintains an active exploration and acquisition program in China, the world's largest gold producing country. It has entered into a number of cooperative joint ventures with local partners over prospective exploration areas.

The locations of Sino Gold's key assets are shown below.



Note:

¹ 2009 production is expected to be reduced from the forecast by approximately 6,000 gold ounces if production at White Mountain remains suspended in November 2009 and a similar amount if production remains suspended in December 2009.

3 Profile of Sino Gold

3.3 Jinfeng

Background

Sino Gold's flagship Jinfeng gold mine is now the second largest gold mine in China, with 2008 gold production of 151,000 gold ounces. Sino Gold owns an 82% interest in Jinfeng with local joint-venture partner Guizhou Lannigou Gold Mine Limited holding the remaining 18%.¹



Jinfeng is located in China's southern Guizhou Province, 236 kilometres south-west of the provincial capital Guiyang. The area consists of rugged karst topography with a subtropical, humid climate. Average annual rainfall of 1,200 millimetres falls primarily during the wet season from May to August each year.

Sino Gold acquired the Jinfeng deposit in 2001, commenced construction in February 2005 and achieved commercial gold production in September 2007. The Jinfeng Gold Operating Permit (issued on 25 December 2006) is valid to 25 December 2016.

Jinfeng is an open-pit and underground gold mine. Jinfeng's gold production is planned to increase as higher-grade ore from the underground mine supplements ore from the open pit.

Reserves and resources

Jinfeng's mineral resources are estimated to total 34.3 million tonnes at 4.5g/t gold (containing 5.0 million gold ounces) and ore reserves are estimated to total 19.3 million tonnes at 5.2g/t gold (containing 3.2 million gold ounces), at 31 December 2008. The Jinfeng orebody remains open down plunge to the east-south-east.

The ore reserves for the planned underground mine contain an estimated 2.4 million gold ounces, with the remaining 0.8 million gold ounces contained within the planned open pit or in ore stockpiles. Ore from the underground mine is planned to increasingly supplement ore from the open pit.

Exploration and geological setting

Jinfeng, the largest known Carlin-type deposit in China, lies within Triassic clastic sedimentary rocks overlying the Permian and Carboniferous limestones of the Laizhishan Dome.

The Jinfeng orebody is a structurally controlled gold deposit with some replacement style mineralisation. The majority of the mineralisation is hosted by the major east-south-east trending high-angle F3 Fault, which is consistently mineralised over 1,300 metres of strike and to a depth of more than 1,000 metres.

The F3 Fault is linked to a major low-angle thrust fault (F7). North-east-trending folding of the F3 Fault and the intersection of the F3 and F7 Faults has focused high-grade mineralisation at depth, which plunges east-south-east.

The deepest drilling at Jinfeng has intercepted strong gold mineralisation and intense alteration at more than 1,000 metres depth. This deep, down-plunge zone has now been followed to near the contact of the Triassic sediments and underlying Permian limestones, which is considered very prospective for gold deposition. Several gold deposits in China's Golden Triangle region are located in a similar stratigraphic position near the Triassic-Permian contact.

Note:

¹ All mineral resource, ore reserve and production information in this section is presented on a 100% consolidated basis with no adjustment made for this minority interest.

Drilling of this deep zone from surface was completed in early 2008. A 600 metre hole targeting the down dip extension of the main F3 mineralisation is currently underway. Testing for further down plunge extensions to the orebody is planned to resume in 2010, possibly from an underground drive. Sino Gold has a dominant tenement holding in the Jinfeng district via three joint ventures covering an extensive area of more than 300 square kilometres around the Laizhishan Dome. Regional exploration during 2009 has consisted of reconnaissance soil sampling.

Jinfeng ore is refractory in nature, with the majority of gold encapsulated in sulphide minerals. As such, the gold is not readily amenable to dissolution in a conventional CIL circuit. In order to extract gold at economic recovery rates, the Jinfeng gold processing plant was designed and constructed utilising BIOX® technology. The BIOX® technology destroys the sulphide minerals and exposes the gold for subsequent CIL processing.

Operations

Initial mining of ore was from the Jinfeng open pit, with 0.7 million and 1.4 million tonnes of ore mined in 2007 and 2008 respectively. Ore is now being sourced concurrently from the open pit and the underground mine, with 1.2 million tonnes of ore mined in the nine months ended 30 September 2009.

In 2007, Jinfeng produced 56,981 gold ounces and in 2008 it produced 150,928 gold ounces at a cash operating cost of US\$400 per ounce. In the nine months ended 30 September 2009, Jinfeng produced 126,783 gold ounces at a cash operating cost of US\$388 per ounce.

Development of the underground mine to supplement ore from the open-pit mine has continued in 2009. The underground mine is now planned to contribute a total of approximately 200,000 tonnes of ore during 2009.

Resource compensation fee dispute

Enterprises engaged in the mining of mineral resources in China must ordinarily pay a resource compensation fee. The fee is a tax deductible variable royalty levied by the Ministry of Land and Resources and, in the case of Jinfeng, would equate to about US\$27 per gold ounce produced. However, Jinfeng was granted a five-year exemption from payment of the fee when the Jinfeng mine was approved as an 'encouraged' project in January 2005. This exemption expires in 2010.

In December 2008, Jinfeng received a notice from the Ministry of Land and Resources advising that the Ministry had concluded that Jinfeng should not receive an exemption from payment of the resource compensation fee. Sino Gold believes Jinfeng's qualification for the exemption is strong. A formal application by Jinfeng for administrative review of the Ministry's notice has been accepted by the Ministry's administrative review office and both Jinfeng and the Ministry have submitted papers in support of their positions. The administrative review office recently adjourned the proceedings in order to conduct further investigations. The timing and ultimate outcome of that review process remains uncertain.

If Jinfeng's exemption is invalidated, its obligation to pay the resource compensation fee would be backdated to first gold production. Based on historical production and forecast production for 2009, approximately US\$10 million would be payable on production up to 31 December 2009.

Outlook

Jinfeng's gold production is forecast to gradually increase over the remainder of 2009, with the processing plant operating at higher throughput rates for the full year. Sino Gold is forecasting 2009 Jinfeng gold production of approximately 170,000 gold ounces at an average operating cash cost of less than US\$400 per ounce.

Ore production from the underground mine will ultimately supplement ore from the open-pit mine such that the underground mine will contribute the majority of the mined ore from 2011. At design capacity, the underground mine will operate on six main levels and provide a maximum 1,000,000 tonnes of ore per annum.

3 Profile of Sino Gold

3.4 White Mountain Background



Sino Gold's second operating gold mine, White Mountain, commenced commercial gold production in January 2009 and, upon reaching design production rates, will produce an average of 65,000 gold ounces annually. Sino Gold owns a 95% interest in White Mountain, with the remainder held by local joint-venture partner Jilin Tonghua Institute of Geology and Minerals Exploration and Development.¹

White Mountain is located 230 kilometres south-south-east of Changchun, the capital city of Jilin Province in north-east China. The area surrounding the mine is lightly forested public land and the processing plant is only 7 kilometres from the prefecture level city of Baishan, which is also a coal and iron ore mining centre.

First gold was poured two months ahead of schedule in October 2008, only four years after the orebody was discovered by Sino Gold and only 14 months after construction commenced. The White Mountain Gold Operating Permit (issued on 20 February 2008) is valid to 20 February 2018.

Reserves and resources

White Mountain's mineral resources are estimated to total 12.4 million tonnes at 3.0g/t gold (containing 1.2 million gold ounces) and ore reserves are estimated to total 6.6 million tonnes at 3.7g/t gold (containing 0.8 million gold ounces) at 31 December 2008.

Gold mineralisation at White Mountain remains open at depth and along strike to the north-east.

Exploration and geological setting

A major north-east trending regional fault zone hosts the gold mineralisation at White Mountain, with mineralisation known to extend 1.5 kilometres along strike.

Gold mineralisation at White Mountain is:

- hosted by a silicified fault breccia containing pyrite veinlets within Proterozoic sedimentary rocks;
- associated with multi-stage silica, iron-oxide, pyrite and barite mineralisation; and
- dipping between 25° and 70° (average 45°) to the south-east.

The primary control on mineralisation is interpreted to be the intersection of two major north-east-trending regional faults (F100 and F102).

Drilling during 2008 primarily tested for extensions to the known resource, particularly down-plunge to the north-east. Exploration during the 2009 field season is aimed at making a near-mine discovery and drilling has commenced at prospects to the south-east and south-west of the mine.

Sino Gold recently agreed to form a new joint venture covering a 29km² Exploration Licence immediately north-east and along strike of White Mountain. Previous exploration includes mapping, geochemical surveys, trenching and limited drilling.

Operations

White Mountain was rapidly constructed during 2008, with total project development costs on-budget at US\$65 million. It is an underground mine utilising a sub-level open stoping mining method for portions of the orebody thicker than 10 metres and steeper than 55°, a benching method for thicker portions of the orebody and a cut-and-fill method for the remainder of the deposit.

The White Mountain processing plant is a standard Chinese design carbon-in-leach plant and early indications are that the facility should readily be able to operate above nameplate capacity.

Metallurgical testing has identified two metallurgical ore types, refractory and non-refractory. Recoveries are nominally 85% for the non-refractory ore and 65% for the refractory ore. The production schedule is based on approximately 10% of the ore being refractory.

Commercial gold production was achieved in January 2009 with 25,751 gold ounces produced up to the suspension of operations in early August 2009 at an average cash operating cost of US\$478 per ounce. Prior to the suspension, ramp-up of production had been continuing to proceed ahead of schedule. An additional US\$1.6 million in costs were incurred from suspension of operations to 30 September 2009.

Note:

¹ All mineral resource, ore reserve and production information in this section is presented on a 100% consolidated basis with no adjustment made for this minority interest.

Suspension of operations

White Mountain's main access road was blocked in August and September 2009 by a small group of farmers who were seeking compensation on the basis that water discharged from the underground mine was causing them concern. As a result of these protests, the government ordered a suspension of operations until these issues were resolved. This has resulted in the suspension of production since 10 August 2009. The farmers are from a village located 3.5 kilometres from White Mountain.

An extensive water monitoring program is in place at White Mountain which was implemented in consultation with the Environmental Protection Bureau. Independent testing of the water in the creek above and downstream from the mine has confirmed that claims raised by the protesters are without foundation.

Working extensively with the government authorities and local community, Sino Gold has:

- constructed a water filtration (clarifying) system that will further improve the quality of discharged underground water (this system is currently being commissioned);
- commenced constructing a cyanide destruction capacity that is not required by the original licence conditions, but seeks to address community anxieties;
- completed a survey of the local villagers with the China Academy of Social Sciences;
- cooperated with government through various expert panel reviews which all concluded that the White Mountain operation will not have a negative long-term impact on water quality; and
- completed a supplementary environmental impact assessment.

This has resulted in significant and constructive progress in resuming production (in spite of the two-week Chinese national holiday in October) as demonstrated by the villagers voluntarily dismantling the road block – Sino Gold did not pay any compensation to this group. In addition, government permission was granted to allow underground mine development to resume.

Sino Gold is now actively working with government authorities to obtain permission to restart the plant.

Outlook

Mining of ore from the underground mine was planned to ramp-up over the course of 2009 to enable gold production to reach the design rate of 65,000 gold ounces per annum. It is expected that it will take several months after mining operation restarts for White Mountain to achieve its design rate of production of 65,000 gold ounces per annum.

Note:

- 1 All mineral resource and ore reserve information in this section is presented on a 100% consolidated basis with no adjustment made for this minority interest.

As the resource remains open to the north-east and at depth, Sino Gold intends to continue drilling in 2009 with the aim of further increasing the current White Mountain resource, as well as firstpass drilling of near-mine prospects in the surrounding 122 square kilometre licence areas.

3.5 Eastern Dragon Background



The high-grade Eastern Dragon Project has potential to produce very low-cost gold and is being progressed towards becoming Sino Gold's third mine. Eastern Dragon Lode 5 is a high-grade, low-sulphidation, epithermal, gold-silver vein deposit.

Sino Gold has a 95% equity interest in the Lode 5 Exploration Licence, with the remainder held by a local joint-venture partner.¹ Sino Gold also holds a 90% contractual interest, and a pre-emptive right over a further 5%, in the entity which will hold 100% of the 53 square kilometre exploration licence surrounding Lode 5 (known as 'EL53').

Eastern Dragon Lode 5 is located in northern China's Heilongjiang Province, approximately 45 kilometres south-east of the town of Xunke, which is adjacent to the Heilongjiang River that forms the border with Russia. The project site is on public land in lightly forested rolling hills with water nearby. Winters are severe, with the exploration field season restricted to April to October each year.

3 Profile of Sino Gold

Reserves and resources

Eastern Dragon's initial mineral resource estimate totals 3.4 million tonnes at 7.1g/t gold and 66g/t silver, containing 0.8 million gold ounces and 7.2 million silver ounces (announced 29 January 2009). With an initial high-grade ore reserve totalling 2.0 million tonnes at 8.4g/t gold and 70g/t silver (containing 0.5 million gold ounces and 4.4 million silver ounces). Gold mineralisation at Eastern Dragon remains open along a strike to the north.

Exploration and geological setting

The epithermal style of gold mineralisation at Eastern Dragon tends to form clusters of similar quartz-vein deposits and thus the surrounding area is considered highly prospective.

Drilling of Lode 5 in the 2009 field season was aimed at extending and upgrading resources and reserves. Drilling during 2009 has extended known mineralisation in Lode 5 further along strike, 200 metres to the north and 75 metres to the south. Assays have confirmed that the northern extension contains several near-surface, high-grade mineralised zones.

The geological setting of EL53 is considered favourable for hosting similar epithermal gold-silver deposits. A number of outcropping quartz veins have been previously identified in EL53 and tested to varying degrees by trenching and drilling, some with known gold mineralisation. A systematic drilling program is planned for these prospects.

Planned operations

A feasibility study completed in early 2009 indicates that Eastern Dragon is a potentially simple combined open-pit and underground mining operation with a carbon-in-leach processing plant. Metallurgical testwork indicates that approximately 95% of the gold and 80% of the silver should be recoverable.

In April 2009, Sino Gold's Board approved the US\$65 million development of Eastern Dragon as an open pit and underground mine. The operation is planned to produce an average of 90,000 gold ounces and 580,000 silver ounces per annum over the first five years of production at an average cash operating cost of approximately US\$125 per gold ounce (after silver credits calculated at a silver price of US\$10 per silver ounce). First commercial gold production is anticipated in early 2011.

On 7 August 2009, Sino Gold announced that the Environmental Protection Bureau of Heilongjiang Province had approved the Environmental Impact Assessment report for the Eastern Dragon Project. This approval is a critical prerequisite for obtaining the Project Permit which authorises construction of the project to commence.

Outlook

Commencement of construction is dependent on receipt of a project permit. Eastern Dragon has been issued 11 of the 13 sub-permits required before it can qualify to obtain the project permit. The remaining two sub-permits are to be issued by the Ministry of Land and Resources and this is expected in the coming months. Feasibility and design work is on schedule and pre-construction preparation has commenced on site. The project permit will need to be obtained before March 2010 to allow plant construction to commence on schedule.

3.6 Beyinhar Background



Sino Gold is assessing the potential of Beyinhar to be developed into an open-pit, heap-leach gold operation which could potentially produce approximately 60,000 gold ounces per annum at an average cash operating cost of US\$450 per gold ounce. A pilot-scale heap-leach trial is currently underway.

The 15 square kilometre Beyinhar Joint Venture area is 95% owned by Sino Gold, with local joint-venture partner Neimenggu Non-Ferrous Geology and Minerals Co Ltd owning the remaining 5%.¹ An adjacent 33 square kilometre Exploration Licence is 100% owned by Sino Gold.

Beyinhar was acquired by Sino Gold as part of its successful takeover of Golden China in 2007. Golden China had commenced exploration work at Beyinhar in late 2003 and carried out geological mapping, rock sampling, soil geochemical surveys, geophysical surveys and drilling.

Beyinhar is located approximately 500 kilometres north-west of Beijing in the Inner Mongolia Autonomous Region of northern China. The Beyinhar gold deposit is approximately 2 kilometres from a regional highway and within 10 kilometres of grid power. The gently rolling, steppe grasslands of the project area receive very little rainfall, with fairly hot summers and cold, windy winters.

Reserves and resources

Resources and reserves were both increased by drilling undertaken by Sino Gold during 2008. Beyinhar's mineral resources are now estimated to total 69.2 million tonnes at 0.55g/t gold (containing 1.2 million gold ounces) and ore reserves are now estimated to total 27.8 million tonnes at 0.62g/t gold (containing 0.6 million gold ounces), at 31 December 2008.

Oxide ore comprises 95% of the ore reserve, with the remainder being harder, lower recovery, sulphide ore.

Exploration and geological setting

Gold mineralisation at Beyinhar is hosted in the Beyinhar Shear Zone in Proterozoic metasediments and Cretaceous rhyolite.

The aim of the Beyinhar 2008 exploration program was to extend and upgrade both the oxide and sulphide resources. The program increased the gold ounces contained in the oxide resources by 28%; however, the drilling aimed at increasing the deeper sulphide resources intercepted only limited narrow zones of higher grade mineralisation in sparsely developed, weakly mineralised, epithermal quartz veins.

A closer-spaced, larger-diameter drilling program undertaken in late 2008 improved confidence in the gold grade at Beyinhar and indicated potential upside to the grade in the current resource estimates. The 2009 exploration program is aimed at discovering additional oxide resources near the current Beyinhar resource. During the first half of 2009, exploration drilling has identified zones of oxidation and quartz-sulphide veining but no epithermal quartz veins associated with high-grade mineralisation.

Outlook

Work has commenced at site to undertake a heap-leach trial of 20,000 tonnes of ore. Topsoil stripping has commenced and the necessary crushing equipment has

been mobilised to site. The trial is aimed at increasing confidence in gold grades and recoveries estimated to date. The results of this pilot-scale trial are planned to be available in late 2009.

3.7 Exploration

In 2008, Sino Gold had one of the largest gold exploration programs in China, with approximately 71 kilometres of diamond drilling completed. Sino Gold continues to have one of the largest gold exploration programs in China. Gold resources under the Company's management have increased significantly over the past six years and now total more than eight million gold ounces.

The majority of drilling planned for Sino Gold's 2009 exploration program was focused on extending known resources and for discovery by near-mine exploration. This program is being implemented by a reorganised, single China exploration team rather than by three regional teams as in previous years.

In the 2009 northern summer field season, the Company had 13 exploration drill rigs engaged at:

- **Eastern Dragon** – drilling to extend Lode 5 and discover new lodes;
- **White Mountain** – drilling near-mine targets for additional resources;
- **Beyinhar** – drilling to discover further oxide resources;
- **China's 'Golden Triangle' mineral province in southern China** – drilling of prospects containing gold mineralisation in a similar geological and structural setting to the Jinfeng orebody; and
- **Jinshu** – drilling to follow up narrow zones of high grade gold mineralisation. This drilling has confirmed narrow zones of high-grade gold mineralisation within a wide, low-grade mineralised envelope. As the original target was significantly larger, this project is unlikely to warrant further exploration commitment by Sino Gold.

In August 2009, Sino Gold entered into an option agreement with Beipiao Huifeng Enterprises Group to acquire an interest in the Caijiagou Gold Project in Liaoning Province, north-east China. The project comprises a small open-pit gold mine and new processing plant and a 17.5 square kilometre exploration licence. The agreement gives Sino Gold the option to acquire a 70% interest for US\$7.9 million within 12 months and a further 25% interest for US\$4.4 million within 24 months. Reliable estimates of mineral resources and ore reserves are not yet available.

Note:

- 1 All mineral resource and ore reserve information in this section is presented on a 100% consolidated basis with no adjustment made for this minority interest.

3 Profile of Sino Gold

In the June quarter, Gold Fields Limited agreed to sell its 19.8% shareholding in Sino Gold to Eldorado Gold Corporation. Following this transaction, Sino Gold and Gold Fields agreed not to extend their existing Alliance Agreement. Since November 2006, Sino Gold and Gold Fields have cooperated under the Alliance Agreement in an exploration program aimed at discovering large-scale gold deposits in China. The parties will continue to joint venture with each other in connection with designated projects that had been identified under the Alliance Agreement. These projects will be pursued in 50/50 joint ventures.

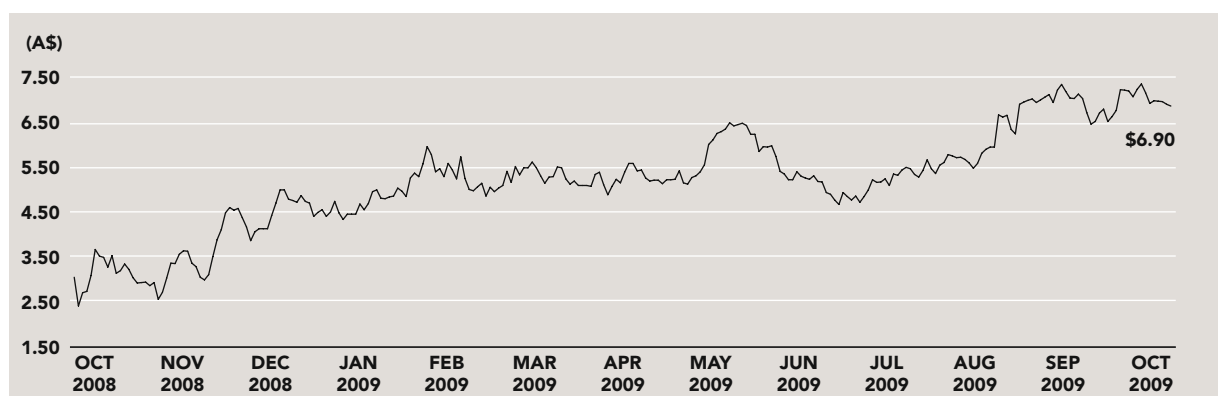
3.8 Sino Gold's mineral resources and ore reserves

See the pro forma tables of mineral reserves and mineral resources for the Combined Group in section 5.4 for a summary of Sino Gold's ore reserves and mineral resources, respectively. See section 12.9 for the responsibility statement for information in this booklet relating to Sino Gold's ore reserves and mineral resources.

3.9 Recent Sino Gold share price performance

The Sino Gold share price performance for the 12 months to 23 October 2009 is shown below.

SINO GOLD SHARE PRICE



Source: Bloomberg (see section 12.6). Note: based on ASX closing price for Sino Gold shares.

3.10 Finance facilities

Description of finance facilities

Sino Gold has the following finance facilities at the date of this booklet.

- (Jinfeng)** A project loan of RMB680 million (approximately A\$107 million¹) arranged and underwritten by China Construction Bank (CCB). The loan is repayable in 20 quarterly instalments of RMB34 million each, with the first instalment due 31 March 2011.
- (Jinfeng)** A working capital loan of RMB85 million (approximately A\$13.4 million) from CCB. The loan is repayable in one instalment due in August 2012.
- (White Mountain)** A construction loan of RMB190.1 million (approximately A\$30.0 million) arranged and underwritten by CCB. The loan was originally repayable in one instalment due 31 August 2013 but amendments have been proposed to provide for repayment by annual instalments until the loan expires in 2013. Specific repayment times and instalment amounts are currently being negotiated.
- (White Mountain)** A 12-month working capital loan facility of RMB40.9 million (approximately A\$6.5 million) from CCB. This loan is currently being renewed.
- (Eastern Dragon)** A cash collateralised standby letter of credit facility to secure advances made by CCB to the Eastern Dragon development project. The Sino Gold Board has approved a proposed project loan of RMB450 million (approximately A\$71 million) to be arranged and underwritten by China Merchants Bank, of which RMB320 million (approximately A\$50 million) is proposed to be used to replace the existing standby letter of credit facility, RMB100 million (approximately A\$16 million) is proposed to be used for project construction and RMB30 million (approximately A\$4.7 million) is proposed to be used for working capital purposes.

Note:

1 All A\$ conversions in this section are based on an A\$:RMB exchange rate of 6.3408.

At the date of this booklet, Sino Gold has drawn down RMB996 million (approximately A\$157 million) under the finance facilities referred to in (a), (b), (c) and (d) above.

Change of control provisions under finance facilities

Under the terms of the loan agreements for the finance facilities referred to in (a), (b) and (c) above, CCB will have the right to demand immediate repayment of all amounts outstanding under the facilities on the implementation of the Share Scheme. Sino Gold officers have received verbal assurances from CCB officers that CCB will not demand immediate repayment of the facilities on implementation of the Share Scheme. However, Sino Gold has not requested, nor has it been granted, a written waiver by CCB of this right.

As a result of CCB having this right, the pro forma balance sheet for the Combined Entity in section 5.3 has classified all amounts owed under the finance facilities referred to in (a), (b) and (c) above as current liabilities in accordance with accounting standards. The classification of these amounts should not be taken as a prediction of the likelihood that a demand for their immediate repayment will in fact be made following implementation of the Share Scheme. It should also be noted that Eldorado has sufficient cash reserves to cover the repayment of these facilities should that be required and intends to seek alternate facilities should that be required (see further discussion in section 5.1 under '*Indebtedness of the Combined Group*').

3.11 Capital structure and ownership

At the date of this booklet, the Sino Gold securities on issue were:

- (a) 292,578,478 Sino Gold shares; and
- (b) 12,106,733 Sino Gold options, comprising:
 - 10,766,250 Sino Gold options issued to directors and employees under the Sino Gold Executive and Employee Option Plan;
 - 250,000 Sino Gold options issued to Standard Bank Plc;
 - 312,783 Sino Gold options issued, on completion of its successful takeover bid for Golden China, in replacement of options previously issued by Golden China to its directors and employees; and
 - 777,700 Sino Gold options issued, on completion of its successful takeover bid for Golden China, in replacement of options previously issued by Golden China to Kingsway Capital of Canada Inc. (588,830 options) and Assif S.A. (188,870 options).

At 23 October 2009, Sino Gold is aware of the following substantial shareholders:

Substantial shareholder	Number of Sino Gold shares	Voting power
Eldorado	57,968,029	19.8%
BlackRock Group	18,197,593	6.2%
FMR LLC and FIL Limited (Fidelity Group)	14,892,496	5.1%

3.12 Sino Gold historical financial information Overview

This section sets out consolidated summary historical financial information for Sino Gold. The summary has been derived from Sino Gold's audited financial statements for the financial year ended 31 December 2008 and from its reviewed financial statements for the six months ended 30 June 2009.

The financial information contained in this section has been prepared in accordance with the recognition and measurement principles of A-IFRS, although it is presented in an abbreviated form insofar as it does not include all of the disclosures, statements or comparative information as required by the Australian Accounting Standards applicable to annual financial reports prepared in accordance with the Corporations Act.

Further financial information is available in Sino Gold's Annual Report 2008 and its Half Year Report for the period ended 30 June 2009. These reports contain details of Sino Gold's accounting policies and, in each case, a discussion and analysis of the financial results for the relevant period. An electronic copy of each report can be downloaded from Sino Gold's website (www.sinogold.com.au) or ASX's website (www.asx.com.au) under Sino Gold's name. Alternatively, a hard copy can be obtained by calling the Sino Gold Securityholder Information Line.

3 Profile of Sino Gold

Income statements

Set out below are Sino Gold's consolidated income statements for the six months ended 30 June 2009 and for the financial years ended 31 December 2008 and 31 December 2007. All amounts in A\$ million are rounded to the nearest one hundred thousand dollars.

	Consolidated		
	(reviewed) Six months ended 30 Jun 2009 (A\$ million, except where otherwise stated)	(audited) Year ended 31 Dec 2008	(audited) Year ended 31 Dec 2007
Revenue from sale of gold	139.9	198.2	33.6
Other operating revenue	–	7.9	–
Operating costs	(61.7)	(122.5)	(22.9)
Depreciation and amortisation	(17.1)	(14.1)	(3.4)
Mine operating earnings	61.1	69.5	7.2
Depreciation and amortisation	(0.2)	(0.2)	(0.0)
Employee benefits	(2.6)	(7.6)	(3.1)
Share-based payment	(3.8)	(7.1)	(3.8)
Other corporate costs	(2.9)	(3.1)	(4.9)
Other operating expenses	(6.5)	(8.1)	(1.6)
Operating profit (loss) before other income (expense)	45.1	43.3	(6.2)
Other income (expense):			
Other income	6.5	12.6	5.4
Gain on fair value of vested share options – derivative	0.0	2.3	1.3
Finance costs	(6.6)	(7.5)	(14.5)
Deferred exploration costs written off	–	(9.1)	(1.5)
Impairment loss	–	(91.6)	–
Profit (loss) before hedging and tax	45.1	(50.0)	(15.5)
Hedging loss – pre-close-out	–	(12.0)	(9.3)
Amortisation of hedge close-out	(18.8)	(23.2)	–
Profit (loss) before income tax	26.3	(85.2)	(24.8)
Income tax expense	(11.0)	(16.2)	(0.1)
Net profit (loss) after tax for the period	15.3	(101.4)	(24.9)
Attributed to:			
Outside equity interests	2.7	2.4	(1.4)
Members of the parent	12.6	(103.8)	(23.5)
Basic profit (loss) per share (A cents per share)	4.32	(38.56)	(13.23)
Diluted profit (loss) per share (A cents per share)	4.30	(38.56)	(13.23)

Balance sheet

Set out below are Sino Gold's consolidated balance sheets at 30 June 2009 and 31 December 2008. All amounts are rounded to the nearest one hundred thousand dollars.

	Consolidated	
	(reviewed) At 30 Jun 2009 (A\$ million)	(audited) At 31 Dec 2008 (A\$ million)
Current assets		
Cash and cash equivalents	122.5	70.5
Restricted cash	61.6	160.7
Trade and other receivables	4.6	5.7
Inventories	29.8	40.4
Other	26.0	22.6
Total current assets	244.5	299.8
Non-current assets		
Receivables	7.3	4.5
Property, plant and equipment	517.4	582.8
Deferred tax assets	2.5	0.3
Deferred exploration, evaluation and development costs	303.8	364.8
Total non-current assets	831.0	952.3
Total assets	1,075.5	1,252.2
Current liabilities		
Trade and other payables	79.8	115.0
Provisions	0.9	1.2
Interest bearing liabilities	65.1	181.3
Tax payable	9.4	10.0
Derivates	1.8	1.8
Total current liabilities	157.0	309.3
Non-current liabilities		
Interest bearing liabilities	154.6	71.8
Provisions	29.4	33.7
Deferred tax liabilities	9.5	10.8
Total non-current liabilities	193.5	116.3
Total liabilities	350.6	425.6
Net assets	724.9	826.6
Equity		
Issued capital	858.8	857.3
Accumulated losses	(179.0)	(191.6)
Hedge reserve	(97.8)	(116.5)
Other reserves	110.5	216.2
Total parent entity interest in equity	692.6	765.3
Outside equity interests	32.3	61.3
Total equity	724.9	826.6

3 Profile of Sino Gold

Statements of cash flows

Set out below are Sino Gold's consolidated statements of cash flows for the six months ended 30 June 2009 and for the financial years ended 31 December 2008 and 30 December 2007. All amounts are rounded to the nearest one hundred thousand dollars.

	Consolidated		
	(reviewed) Six months ended 30 Jun 2009 (A\$ million)	(audited) Year ended 31 Dec 2008 (A\$ million)	(audited) Year ended 31 Dec 2007 (A\$ million)
Cash flows from operating activities			
Receipts from customers	134.6	206.1	33.8
Payments to suppliers, employees and others	(94.8)	(135.1)	(35.2)
Income tax paid	(7.9)	(2.6)	–
Interest received	2.7	3.9	4.9
Interest paid	(6.6)	(8.1)	(15.2)
Other	–	(2.6)	0.1
Net cash flows from (used in) operating activities	28.1	61.7	(11.7)
Cash flows from investing activities			
Proceeds from sale of investment	22.0	–	–
Proceeds from sale of property, plant and equipment	–	0.6	1.3
Payment for property, plant and equipment	(42.2)	(124.2)	(46.0)
Payment for exploration, evaluation and development	(14.9)	(55.6)	(58.7)
Acquisition of Golden China	–	–	(5.9)
Acquisition of Eastern Dragon	(17.2)	(66.3)	(51.0)
Net cash flows from (used in) investing activities	(52.3)	(245.5)	(160.4)
Cash flows from financing activities			
Proceeds from repayment of employee loans	0.0	0.3	1.2
Repayment of loans	(152.6)	(55.2)	(5.1)
Proceeds from share issues	1.5	312.1	236.9
Share issue costs	–	(5.1)	(11.8)
Proceeds from bank loan	141.2	127.6	56.6
Hedging costs pre-close-out	–	(11.0)	(9.3)
Hedging close-out cost	–	(124.5)	–
Net cash flows from financing activities	(9.8)	244.1	268.5
Net increase in cash held	(34.1)	60.3	96.5
Cash and cash equivalents (including restricted cash) at beginning of period	231.2	109.0	21.5
Effects of exchange rate changes on cash	(13.0)	61.9	(9.0)
Cash and cash equivalents (including restricted cash) at end of period	184.1	231.2	109.0
Cash and cash equivalents	122.5	70.5	39.0
Restricted cash	61.6	160.7	70.0
Cash and cash equivalents (including restricted cash) at end of period	184.1	231.2	109.0

3.13 Material changes in financial position since last published accounts

Sino Gold's latest published financial statements are the reviewed financial statements for the six months ended 30 June 2009. These statements are contained in Sino Gold's Half Year Report for that period, which was released to ASX on 26 August 2009. An electronic copy of this report can be downloaded from Sino Gold's website (www.sinogold.com.au) or ASX's website (www.asx.com.au) under Sino Gold's name. Alternatively, a hard copy can be obtained by calling the Sino Gold Securityholder Information Line.

To the knowledge of Sino Gold directors, there have been no material changes to the financial position of Sino Gold since 30 June 2009, except as disclosed in Sino Gold's Half Year Report or in this booklet.

3.14 Periodic and continuous disclosure

Sino Gold is a disclosing entity for the purposes of the Corporations Act and subject to the periodic and continuous disclosure requirements of the Corporations Act and the ASX Listing Rules. Broadly, these obligations include the requirement, subject to exceptions for certain confidential information, to notify ASX immediately of any information of which it becomes aware that a reasonable person would expect to have a material effect on the price or value of Sino Gold shares.

For the purposes of Canadian securities laws and, in particular, NI 71-102, Sino Gold confirms that it is a 'designated foreign issuer' and is subject to the foreign regulatory requirements of a 'foreign regulatory authority', namely ASIC and ASX.

Between 30 June 2009 and the time this booklet was released to ASX, the following announcements have been made to ASX concerning Sino Gold. Electronic copies of these announcements (and any subsequent announcements) can be downloaded from ASX's website (www.asx.com.au) under Sino Gold's name.

Date	Announcement
28 October 2009	Quarterly Activities Report
21 October 2009	Appendix 3B – exercise of options and adjustment to options
5 October 2009	Eldorado And Sino Gold Business Combination Approval by FIRB
16 September 2009	Ceasing to be a substantial holder
14 September 2009	Eldorado and Sino Gold satisfaction of due diligence conditions
2 September 2009	Appendix 3B – exercise of employee options
31 August 2009	Scheme Implementation Deed
26 August 2009	Appendix 4D and financial statements for half year 30 June 2009 Financial results presentation for half year 30 June 2009 Trading halt Eldorado and Sino Gold announce business combination Presentation on Eldorado and Sino Gold business combination
24 August 2009	Appendix 3B – adjustments to employee options
20 August 2009	Notice of initial substantial holder – FMR LLC and FIL Limited
13 August 2009	Sino Gold acquires option over Caijiagou Gold Project
11 August 2009	Interruption of operations at White Mountain
7 August 2009	Eastern Dragon environmental impact assessment approved

3 Profile of Sino Gold

Date	Announcement
3 August 2009	New joint venture near White Mountain Clarification on announcement of the new joint venture near White Mountain Presentation to Diggers and Dealers Forum
30 July 2009	Notice of ceasing to be a substantial holder – Gold Fields Limited
28 July 2009	Appendix 3B – exercise of director’s vested options Change of director’s interest – Hanjing Xu
16 July 2009	Quarterly activities report – June 2009 Presentation for quarterly activities report – June 2009
15 July 2009	Appendix 3B – issue of employee options
7 July 2009	Inclusion in S&P ASX 100 Notice of initial substantial holder – JPMorgan Chase & Co. and its affiliates

Profile of Eldorado

A large, bold white number '4' is centered on the page. The background is a dark, atmospheric photograph of a mountain valley. A river flows through the center of the valley, reflecting light. The mountains are silhouetted against a lighter sky, creating a sense of depth and mystery. The overall tone is monochromatic and dramatic.

4

4 Profile of Eldorado

4.1 Background information

Eldorado is a gold producing, exploration and development public company listed on TSX and NYSE. Eldorado has its head office in Vancouver, Canada and also maintains offices in Brazil, China, Greece and Turkey.

Eldorado currently has two operating gold mines:

- the Kışladağ Mine (**Kışladağ**) in Turkey; and
- the Tanjianshan Mine (**Tanjianshan**) in China.

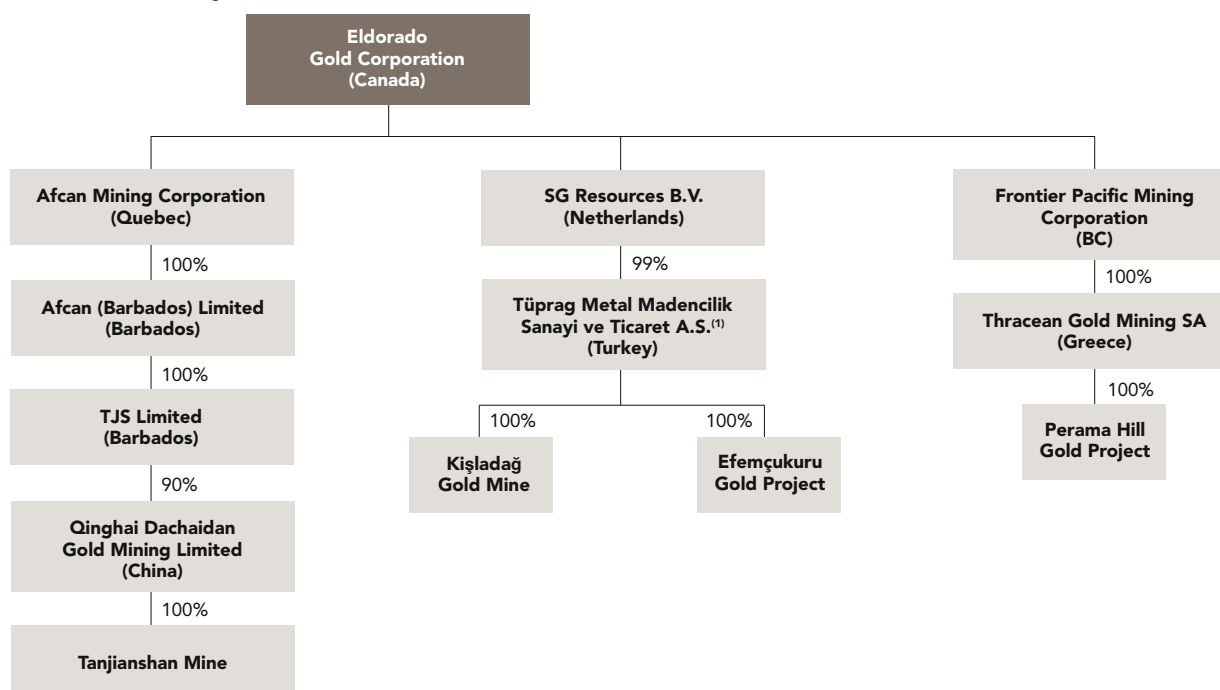
In addition, Eldorado has two primary development projects in various stages of development:

- the Efemçukuru Gold Project (**Efemçukuru**) in Turkey; and
- the Perama Hill Gold Project (**Perama**) in Greece.

Information on other Eldorado projects is available in section 4.4.

Eldorado's operating gold mines and development projects are each managed by a general manager as decentralised business units. Eldorado centrally manages its exploration properties and merger and acquisition strategies, corporate financing, global tax planning and metal and currency risk management programs at Eldorado's head office in Vancouver.

Eldorado's material assets (other than its existing 19.8% holding of Sino Gold) are owned through eight subsidiaries, as shown on the organisational chart below.



(1) Shares in the company are 100% beneficially owned by Eldorado or a wholly owned subsidiary. Less than 1% of the shares of the subsidiary are held by a nominee shareholder.

Eldorado Pacific is a wholly owned subsidiary of Eldorado. It was incorporated in Victoria, Australia, on 14 October 2009 for the purposes of acquiring all the outstanding Sino Gold shares not already owned by Eldorado under the Share Scheme. Eldorado's existing 19.8% shareholding in Sino Gold, which was at the date of this booklet held directly by Eldorado, is proposed to be transferred to Eldorado Pacific.

4.2 Business of Eldorado

Eldorado's business is predominantly focused in China, Greece and Turkey. Eldorado currently has two operating gold mines – Kışladağ located near Uşak, Turkey and Tanjianshan located in Qinghai Province, China. Eldorado's key development project is Efemçukuru located in Turkey. It is also developing Perama in Greece.

Eldorado's acquisition and growth strategy is to actively pursue growth opportunities by way of discovery of grassroots exploration projects and the acquisition of advanced exploration, development or low-cost production assets in Brazil, China, Greece, Turkey and the surrounding regions, preferably with sound management and potential for increased mineral resources.

4.3 Operations, projects and exploration activities

Operating mines – Kışladağ

Kışladağ in Uşak Province, Turkey, began commercial production on 1 July 2006.



Property description

The Kışladağ land position consists of one operating licence (No. IR 7302) and a total area of 15,717 hectares. Mineral licences are renewable every 10 years. This licence is due for renewal on 9 April 2013.

Ownership interest

Eldorado owns a 100% interest in Kışladağ through its wholly owned Turkish subsidiary Tüprağ Metal Madencilik Sanayi ve Ticaret A.S. (**Tüprağ**).

Recent developments

In 2008, Kışladağ produced 190,334 ounces of gold at a cash operating cost of US\$254 per ounce. For the six months ended June 2009, Kışladağ produced 109,177 ounces of gold at a cash operating cost of US\$271 per ounce. The successful transition to owner mining from contractor mining was completed in the third quarter of 2008. Eldorado continues to employ a Turkish mining contractor to provide ancillary services, such as hauling run of mine ore to the leach pad.

An internal review of Kışladağ, completed in the second quarter of 2009, identified opportunities to effectively increase annual production and lower unit costs at Kışladağ. This review forms the basis of feasibility engineering currently being undertaken by Eldorado and its consultants (the **Kışladağ Study**). Assuming the Kışladağ Study results in a positive decision to proceed with expansion of the mine, Eldorado expects that construction should be completed by 2010 and the first operating benefit should be derived by 2011.

Kışladağ has an estimated mine life of 14 years, with production commencing in 2006 and expected to cease in 2020.

The 13 diamond drill hole program focused on testing the extent of higher grade gold mineralisation below the current pit design limits and evaluating potential for deep mineralisation in the eastern portion of the deposit. The results demonstrate continuous gold mineralisation to over 1,000 metres below surface, illustrating the strength of the overall Kışladağ gold porphyry mineralised system. Of particular note is the extension of the + 1 g/t gold zone in the central to southern portions of the deposit. The new results will be incorporated into an updated mineral resource and mineral reserve estimate later in 2009.

Processing

A gold recovery of 81% is projected for the oxide ore over LOM. The primary ore has a higher sulphide content and gold recovery is projected to be 60% over LOM. The primary ore will require a crush size of 80% passing 6.3 millimetres.

The Kışladağ ore is processed in a standard heap leach facility containing a three-stage crushing circuit, an overland conveyor to the heap leach pad, mobile conveyors and a stacker for placing the ore, and a carbon ADR adsorption/desorption facility for recovering the gold. The carbon is treated on-site in a refinery and the final mine product is gold doré bar.

Personnel

The project currently employs approximately 408 people, with the majority of workers drawn from the local region.

Geology and mineralisation

Kışladağ is located in one of several mid to late Tertiary volcanic complexes in western Turkey, related to subduction along the Hellenic Trench south-west of Turkey. In the Kışladağ region, the volcanoes erupted onto a basement of schist at the north-east margin of the Menderes Massif. Gold mineralisation at Kışladağ is hosted by a number of latitic intrusive bodies.

4 Profile of Eldorado

Access and Infrastructure

Infrastructure to support the mine includes an access road, a water well field with a 13 kilometre water pipeline and a 30 kilometre power transmission line. Supplies and services are accessed from the city of Uşak, 35 kilometres to the north.

Exploration

In 2008 in and around Kışladağ, Eldorado drilled 16,586 metres in 45 holes, targeting remnant inferred classified areas close to the design pit shape, deep mineralisation below the planned pit bottom, and a new western extension zone. The western extension zone tests produced mixed results. The key finding was that the basement schist unit underlies the main mineralising intrusion, Intrusion #1 on the western margins of the deposit. This implies a sill-like morphology for the intrusive unit in the west, not the hypothesised igneous stock shape. Both units are strongly altered and mineralised, though the schist unit mineralisation is of sub-economic grade. The consequence of this revised geologic interpretation was a significant loss of inferred mineral resources in this region.

Drilling at the east and south-east areas of the deposit showed that the higher gold grade zone (>1 g/t Au) at Kışladağ appears to be plunging easterly. The zone remains open at depth and to the east. In the south-east area, the deep probing holes discovered a new extension to the oxide gold mineralisation 40 metres to 80 metres below surface that occurs below a 10 metres to 20 metres thick 'perched' sulphide zone. These results contributed to an increase in measured and indicated mineral resources. The 2009 exploration plans included continued drill testing of the deep higher grade gold mineralisation and determination of the extent of the south-east oxide zone.

Litigation

In 2004 certain litigation was filed by third parties against Tüprag and the Turkish Ministry of Environment and Forestry (the **MOEF**) seeking to cancel the Environmental Positive Certificate (the **Kışladağ EPC**) on the basis of an alleged threat to the environment. Eldorado is confident with both the methodology of the Environmental Impact Assessment Report (the **EIA Report**) and Tüprag's compliance with all procedural steps taken in obtaining the Kışladağ EPC.

In October 2006, a judgment on the litigation at a Lower Administrative Court was handed down in Eldorado's favour. The plaintiff appealed that decision and, as a result of the appeal, on 9 July 2007 the Sixth Department of Council of State ordered the shutdown of Kışladağ pending a decision on the case. On 18 August 2007, mining operations were shut down except those activities approved by the Turkish authorities on the basis of sound environmental practices.

On 6 February 2008, a decision was rendered by the Sixth Department of the High Administrative Court in Ankara, Turkey. This decision held that the existing expert reports prepared for the Lower Administrative Court were insufficient to make either a positive or a negative decision on the merits of the case and referred the matter for rehearing before the Lower Administrative Court. The temporary injunction automatically expired with the decision in this case. After Eldorado obtained the necessary permits from the Turkish governmental authorities, on 6 March 2008 Kışladağ reopened and resumed production activities.

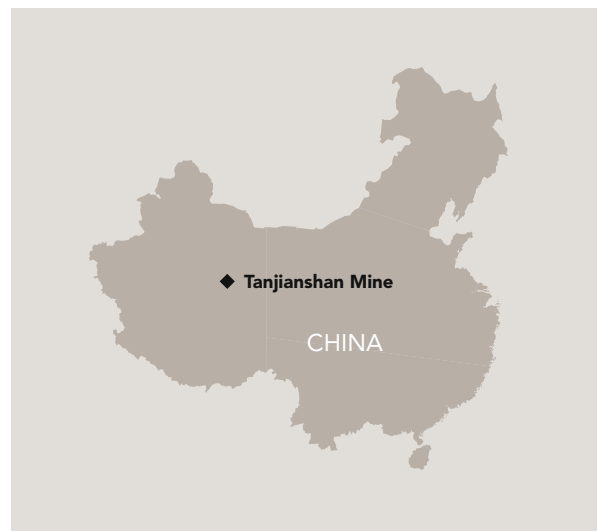
On 28 February 2008, the MOEF and Tüprag (as co-defendant) filed an appeal requesting that the Sixth Department of the High Administrative Court reconsider its decision and rule on the merits of the case. This appeal was denied. The matter has now been referred to the Lower Administrative Court, which has named an expert panel to review the EIA Report and prepare a report for such Court.

Eldorado continues to believe that ultimately this litigation will be successfully defended. If Eldorado is unsuccessful in defending this litigation, its ability to conduct mining operations at Kışladağ may be adversely affected, which may adversely affect production and revenue from Kışladağ.

Operating mines – Tanjianshan

Property description

Tanjianshan is located in the Qinghai Province of north-west China. It comprises four large contiguous exploration licences covering 338 square kilometres in the area, which also encompass two mining licences over two defined gold deposits, namely the Jinlonggou (JLG) and Qinlongtan (QLT) deposits, as well as numerous other prospects and anomalies.



Ownership interest

Eldorado has a 90% ownership interest in Qinghai Dachaidan Gold Mining Limited (**QDML**), the owner and operator of Tanjianshan. The remaining 10% interest is owned by the Qinghai Number One Geological Brigade (**Q1**) (5%) and the Dachaidan Gold Mine (5%).

As noted above, Tanjianshan comprises the following two mining licences and four contiguous exploration licences:

Tenement	Type	Area (km ²)	Date granted	Expiry date
Jinlonggou	Mining	1.03	02 Sep 2004	17 Jul 2011
Qinlongtan	Mining	2.88	24 Jan 2005	17 Jan 2010
Qinlongshan	Exploration	74.90	12 May 2006	12 Feb 2010
Qingshan	Exploration	72.07	03 Nov 2005	03 Nov 2009
Jinlonggou	Exploration	86.98	12 May 2006	12 Feb 2010
Xijingou	Exploration	100.86	03 Nov 2005	03 Nov 2009
Total		338.72		

The Qingshan Exploration Licence and Xijingou Exploration Licence expire on 3 November 2009.

On 10 September 2009, Eldorado submitted an application for an extension of these licences to the Ministry of Land and Resources. Regulations provide for a 40-day processing period.

Surface rights at Tanjianshan are currently sufficient for mining operations based on the Tanjianshan proven and probable reserves, as disclosed in the table titled 'Proven and probable reserves' in section 4.6. To the extent that such proven and probable reserves increase, it would be necessary to obtain additional surface rights.

Royalty

The QDML cooperative joint venture provides that Q1 and Dachaidan Gold Mine are entitled to a total of 4.5% of the net sales revenue from the gold produced by QDML as their base income. This revenue shall be directly transferred to the account designated by each of Q1 and Dachaidan Gold Mine each time QDML sells mineral products. The 4.5% royalty is evenly split between the two groups (2.25% each). The royalty percentage is unaffected by the percentage ownership interests of the parties in QDML. Total royalties paid in 2007 and 2008 were US\$6,827,944.

Taxes

Changes in the Chinese tax law in 2008 eliminated a two-year tax holiday previously granted to Tanjianshan. However, as a result of discussions with Chinese authorities, Tanjianshan was given 'Encouraged Project' status, resulting in a 15% tax rate for the years 2008 to 2010 instead of a new 25% rate. The 15% rate can be extended a further two years at the government's discretion. The rate reverts to 25% thereafter.

Access

The site is easily accessed by road. There is a main highway between Dunhuang and Ge'ermu or Dachaidan in Qinghai Province that passes within 12 kilometres of the plant site. The road is sealed and in good condition, ensuring year-round access throughout the area.

Recent developments

The first gold pour occurred on 2 December 2006. Commercial production began 1 February 2007. Tanjianshan received its Gold Mining Certificate from the National Development and Reform Commission in March 2007.

Approximately 860,000 tonnes of ore were milled in the 12 months ended December 2008 at an average grade of 5.31g/t, resulting in production of 118,468 ounces of gold at an average cash operating cost of US\$261 per ounce. Commercial production from the roaster was declared at the beginning of the second quarter 2009. During the first six months of 2009, Eldorado milled a total of 459,940 tonnes of ore at Tanjianshan at an average grade of 4.81g/t, resulting in 36,821 ounces of gold produced at an average cash operating cost of US\$378 per ounce.

Geology and mineralisation

JLG lies within a low, north-west trending, mountain range (Tanjianshan) composed of Wandonggou and Tanjianshan Group rocks, with early Palaeozoic Gabbro intruding the Proterozoic rocks and Late Paleozoic Porphyritic Plagiogranite intruding all older units. The JLG gold mineralisation lies in a host rock sequence dominated by carbonaceous phyllites. Gold is hosted within the pyrite and arsenopyrite crystals. Minor amounts occur within quartz grains enclosed in pyrite. A strong relationship exists between gold and fine grained sulphide minerals.

4 Profile of Eldorado

Current exploration

Exploration during 2009 is focused on the 338 square kilometre land package at Tanjianshan in Qinghai Province. The drill program began during the second quarter of 2009 and consists of 2,900 metres of diamond drilling to test the down dip extension of the ore body along the entire strike of the deposit.

On 12 August 2009 Eldorado announced the discovery of a new zone of mineralisation at Tanjianshan. The mineralisation has been intersected approximately 2 kilometres south of the QLT open pit within an evolving broad zone of geochemically anomalous bedrock up to 500 metres wide and 2.5 kilometres long. The style of mineralisation is similar to the ore in the QLT pit. The host rocks are fine grained calcareous meta-siltstones and meta-sandstones with fine disseminated pyrite overprinted with moderate to intense silicification. The mineralisation is expected to be non-refractory. An extensive program of diamond drilling commenced in September 2009 to define the mineralisation along strike and down dip.

The Dushugou (**DSG**) prospect, located about 5 kilometres north of the JLG deposit, lies in an area of previously untested anomalous geochemical samples along a 2 kilometres long structural zone. The area was mapped and drill tested on numerous widely spaced lines. Geochemically anomalous Au and As zones were defined at the eastern end and will be tested further in later 2009.

Development and operations

Tanjianshan is estimated to have a LOM of a further seven years. All ore and waste are currently mined via conventional, open pit mining methods using a mining contractor. The operation uses selective mining techniques to separate ore and waste. Waste dumps are located adjacent to the existing pits.

The treatment plant flowsheet is based on material being fed into a ROM bin and through a single stage crushing circuit to a mill feed bin/stockpile. This bin/stockpile is then fed through a single stage SAG mill and a classification circuit. QLT material is then fed through a conventional CIL circuit and the tailings are floated with the sulphide material removed for subsequent treatment.

JLG material is treated based on the sulphide content. If the sulphide level is low, the material is also treated through a conventional CIL circuit. If the sulphide level is sufficiently high, the material is fed through a flotation circuit and dewatered. The QLT and JLG flotation concentrate are blended for an optimal sulphur grade before being fed to the two-stage roasting circuit.

In 2008, Tanjianshan made the transition to contractor mining to lower overall unit mining costs.

Personnel

QDML has a workforce of approximately 660 people at Tanjianshan.

Development projects – Efemçukuru

Property description

Efemçukuru is located in Izmir Province, Turkey and is Eldorado's primary development project in Turkey. Efemçukuru consists of one operating licence (No. IR 5419) covering 2,262 hectares. This licence is due for renewal on 29 April 2010.

Ownership Interest

Eldorado owns a 100% interest in Efemçukuru through Tuprag.

Access and infrastructure

Efemçukuru is located in Izmir Province near the coast of western Turkey, approximately 45 kilometres by road from the provincial capital of Izmir. The nearest settlement, the village of Efemçukuru (population 500), is located 2 kilometres to the south. Access to Efemçukuru is provided by various paved and unpaved roads connecting the village with other local population centres.

Power will be provided to the site via a dedicated transmission line from the Urla substation approximately 20 kilometres away. Mine infrastructure will include administration buildings, the concentrator, filtration plant, tailings and waste rock impound areas. Concentrate treatment will be carried out at Kışladağ.

Geology and mineralisation

Gold mineralisation is hosted by the 1,800 metre Kestane Beleni Vein, which contains the present resource, and the less explored Kokarpinar Vein, which is 2,500 metres in length. Most of the gold is very fine (2.5 to 50 microns), occurring as free grains in quartz and carbonate, and as inclusions in sulphide minerals. Lower grade stockwork mineralisation occurs locally between ore shoots, and is relatively abundant in the hanging wall irrespective of rock type. Such stockworks are not common in the footwall.

Development activities

During 2006, Eldorado initiated a drilling program at Efemçukuru designed to convert inferred resources into measured and indicated resources for the purpose of forming the basis of a new mine plan and subsequent reserve calculation and to test the potential of the system at depth. Eldorado contracted Wardrop Engineering Inc. (**WEI**) to conduct a NI43-101 Technical Report feasibility study for Efemçukuru, which was released in August 2007. The WEI study defined Efemçukuru as a high grade underground mine operation. Mining will be done with conventional trackless equipment using mechanised cut and fill as well as longhole stoping methods. Ore will be

processed through a milling and flotation concentrate circuit located at the project site. A gravity concentrate will be recovered and refined to doré on site while the flotation concentrate will be transported to a gold recovery circuit located at Kişladağ.

Land acquisition began in 2006 and, as of 30 June 2009, approximately 78% of the private land had been purchased. An expropriation decree was awarded which allows acquisition of the remaining private land at a price set by the government. Eldorado continues to work with villagers and government to acquire the balance of the land required for the project through either direct negotiations or regulated expropriation procedures. Permits have been received from the forestry authorities to allow access for construction and operations on designated forest lands.

Engineering and construction

Basic engineering of the process design, mine development and infrastructure was completed in 2008 by WEI. A Turkish engineering group was brought on under the supervision of WEI, to carry out the detailed engineering according to the requirements of Turkish industrial standards.

Procurement of long lead items including the SAG and ball mills was initiated in 2008. Delivery of the mills which have the longest manufacturing time is expected at the end of 2009.

Construction activity began in the second quarter of 2008 with development of the access road to the site and earthworks associated with the plant site and infrastructure. In 2009 construction activity is progressing well and has been focused on preparing the concentrator and administration sites. Preparations are underway in the rock dump area to install a toe liner for water management in the final quarter of 2009. Major components for the water treatment plant have arrived in Turkey. Completion of the installation and start-up of the facility is expected in 2009. Detailed design of the concentrator building and ore bins is complete and the design of ancillary facilities at the Efemçukuru site and the concentrate treatment plant that will be located at Kişladağ has begun. Power supply to the Efemçukuru site and construction of primary surface facilities is planned for the end of 2009. Construction of the concentrate treatment plant at Efemçukuru will be carried out in early 2010. Mechanical completion of the plant is expected by mid 2010.

Commercial gold production is expected to commence in the first quarter of 2011.

Permitting

The process of obtaining the necessary permits for a mining operation in Turkey is similar to that in other developed countries.

The key Environmental Positive Certificate (**EPC**) is issued by the MOEF following a successful review of the EIA Report. The permit contains agreed protocols between the proponent and MOEF for mitigation methods, monitoring standards, closure procedures and financial guarantees. The EIA Report was submitted and the EPC was received in September 2005. The remaining key permits required prior to start-up of the mine include the blasting and explosive depot permits and the trial operating permit. Permits that are required after start-up and inspection include the workplace labour permit and air emission and discharge permit. Following start-up of operations and demonstration of compliance with all received approvals and permits, the operating permit is then issued.

Royalties

Eldorado is required to pay 1% of the direct mine operating costs as a royalty to the government of Turkey. The average annual payment is estimated to be approximately US\$108,150 for a full production year. The total LOM royalty is estimated to be US\$1.03 million, which equates to US\$0.27 per tonne milled or US\$0.07 per ounce produced.

Personnel

Efemçukuru is anticipated to employ approximately 300 people at maximum production, with the majority of workers to be drawn from the local region.

Litigation

Litigation filed in 2003 by certain third parties against the MOEF and Tüpraş is ongoing and is seeking to cancel the operating licence for Efemçukuru on the basis of an alleged environmental threat. The matter is currently before the Izmir 4th Administrative Court. Eldorado continues to believe that ultimately this litigation shall be successfully defended.

On 26 January 2009, the Sixth Department of the High Administrative Court in Ankara, Turkey delivered a favourable decision for Eldorado in cases by certain third parties seeking to cancel the EPC for Efemçukuru issued by the MOEF. This decision has been appealed by the unsuccessful litigants.

Eldorado continues to proceed with its 2009 work plan and permit application schedule.

4 Profile of Eldorado

Exploration

Exploration work on Efemçukuru comprised property-wide surveys and drilling on the north ore shoot (**NOS**). Eldorado carried out a property-wide soil geochemical sampling campaign with follow-up semi-detailed geological mapping. The soil geochemical sampling results yielded interesting multi-element anomalous patterns. Intrusive related mineralisation is indicated by a large Ag-Pb-Zn-Mo anomaly in the Gotkepe area in the north-east portion of the property and a smaller Bi-As-Cu anomaly in the Sogan area, footwall to Eldorado's middle ore shoot deposit. Au-Ag-As anomalies are observed along the Kokarpinar vein trend, particularly in the north-west and south-east areas (the Kokarpinar vein system parallels the main Kestane Beleni system, lying in the latter's hanging wall units). A strong Au-Ag-As anomaly also occurs west of the NOS system, along the Kestane Beleni trend to the north-west. Finally, an Ag-As-Pb anomaly was observed south-west of the south ore shoot deposit, in the Dedebug area.

Mapping and rock chip sampling found units containing anomalous Ag and base metal values in the Gotkepe and Dedebug areas. Local high grade gold and elevated base metal values were returned over the Kokarpinar vein anomalous zones.

Approximately 4,000 metres of exploration drilling for later in 2009 is planned.

A 10 hole exploration diamond drill program testing along strike and down dip extension of the NOS exploration totalling 1,178 metres resulted in the discovery of the highest grade and deepest intercept drilled at the Efemçukuru project to date.

Development projects – Perama

Property description

The Perama project is located in the eastern Thrace region of northern Greece, and is Eldorado's development project in Greece. The property consists of two mining titles covering an area of 1,897.5 hectares, and two mining exploration licences covering an area of 1,762.7 hectares.



Ownership interest

Eldorado owns a 100% interest in the Perama project through its Greek subsidiary, Thracean Gold Mining S.A. (**TGM**). Eldorado acquired TGM as a result of its acquisition of Frontier Pacific Mining Corporation (**Frontier**) in 2008.

Geology and mineralisation

Perama is considered to be a stratabound, sediment hosted deposit of Eocene to Oligocene age located at a structural intersection along the eastern edge of a large graben. The deposit is hosted by a felsic volcanic sandstone overlying a package of andesitic volcanic breccias.

The deposit extends 750 metres in a north-south direction and up to 300 metres east-west. Thickness varies from 15 to 20 metres on the flanks to over 120 metres at the centre of the deposit. The gold mineralisation has been deposited by structurally controlled feeders in the andesite which disseminated into the sandstone, which hosts 80% of the gold. Mineralogic studies indicate that the gold mineralisation is fine grained (less than 2 microns) and evenly distributed throughout the deposit.

Development activities

A feasibility study which envisioned an open pit mine was completed in 2000, and updated in 2003.

Construction

There have been no construction activities at the Perama project.

Permitting

The approval process is initiated by the submission of an Environmental Impact Study (**EIS**) to the Ministry of Environment (**MOE**), which acts as the lead agency in the permitting process. The MOE carries out a detailed review of the EIS and also coordinates input from the Ministries of Agriculture, Culture, Development and Health. There is also a public consultation process that involves a series of public meetings.

In parallel with the EIS process, the MOE establishes, in consultation with the proponent, the Environmental Terms of Reference (**ETR**), which defines the environmental criteria under which the mine will operate. Once the EIS has been reviewed and the ETR finalised, the MOE approves the EIS. The final step is the approval of the EIS by the five ministries involved.

TGM submitted the EIS for the Perama project in October 2000. The required public consultations were completed and until mid-2008 TGM was waiting for approval of the EIS. In a separate action, a lawsuit was brought against the project challenging the zoning of Perama. The Athens Supreme Administrative Court ruled in favour of the plaintiff in this case, which effectively rendered the submitted EIS null and void. It is Eldorado's intention to resubmit the EIS in 2009 and to restart the permitting process. Eldorado is in the process of compiling a pre-environmental assessment of Perama for submission to the Greek authorities before the end of 2009, the approval of which Eldorado expects to receive in the first quarter of 2010. Following receipt of approval, Eldorado would then submit a full Environmental Impact Assessment to the Greek authorities.

Personnel

The Perama project is anticipated to employ approximately 200 people at maximum production, with the majority of workers drawn from the local region.

4.4 Other properties

Eldorado holds mining rights to the Vila Nova iron ore project, an iron ore mine in Amapa State, Brazil. In 2009, Eldorado completed construction of the mine infrastructure facilities. In light of the current iron ore price, Vila Nova mine has been placed on care and maintenance. Eldorado does not consider the Vila Nova mine to be a material property.

Eldorado is a party to an option agreement under which it can acquire from Brazauro Resources Corporation a 60–75% interest in the Tocantinzinho gold project in Brazil. Eldorado is the operator of the project and exploration is ongoing. Eldorado does not consider the Tocantinzinho gold project to be a material property.

4.5 Additional information

Additional information (including technical reports) on Eldorado's various projects identified above is available at www.sedar.com, under Eldorado's name. Information available on SEDAR does not constitute a part of this booklet and should not be considered in deciding how to vote on a Scheme.

4.6 Reserves and resources

Reserves

Eldorado has estimated proven and probable mineral reserves at each of Kışladağ, Efemçukuru and Tanjianshan. All reserves are calculated as of 31 December 2008 in accordance with NI 43-101 and CIM. Reserves are calculated based on a gold price of US\$725 per ounce for Kışladağ and Tanjianshan and US\$530 per ounce for Efemçukuru.

The cut-off grades for the gold deposits are calculated based on assumptions for plant recovery, gold value, mining dilution and recovery, along with operating and capital cost projections that are based on historical production figures. Eldorado may need to recalculate estimated reserves and resources based on actual production or exploration results. Changes in metal prices, increased production costs or changes in the recovery rate may make it unprofitable to develop the proven and probable reserves at a particular property or for a specific mine.

4 Profile of Eldorado

Proven and probable reserves

Property	Tonnes (000)	Grade (Au g/t)	In-situ gold ounces (000)
Kışladağ			
Proven	67,746	1.08	2,353
Probable	93,811	1.05	3,170
Total	161,557	1.06	5,523
Tanjianshan			
Proven	5,609	3.77	680
Probable	1,152	3.71	137
Total	6,761	3.76	817
Efemçukuru			
Proven	1,320	11.89	505
Probable	2,465	9.04	716
Total	3,785	10.04	1,221
Total			
Proven	74,675	1.47	3,538
Probable	97,428	1.28	4,023
Total	172,103	1.37	7,561

- (1) Gold price used for Kışladağ and Tanjianshan US\$725 per ounce and for Efemçukuru US\$530 per ounce.
- (2) Gold cut-off grades (g/t): Kışladağ: 0.35g/t oxide, 0.50g/t sulphide; Tanjianshan: 1.3g/t JLG oxide, 1.64g/t JLG sulphide; Efemçukuru: 4.5g/t.
- (3) Qualified persons: Richard Miller, PEng and Manager, Mine Engineering of Eldorado, is responsible for the Kışladağ and Tanjianshan reserves; Andy Nichols, PEng, Chief Mining Engineer of WEI, is responsible for the Efemçukuru reserves. See section 12.9 for information on qualified persons.
- (4) Mineral reserves are included in the mineral resources.
- (5) Mineral reserves from Tanjianshan are stated on a 100% ownership of which Eldorado owns 90%.
- (6) The cut-off grades for the deposits are based on certain assumptions for plant recovery, gold values, mining dilution and recovery, along with operating and capital cost projections that are based on historical production figures. Estimated mineral reserves may have to be recalculated based on actual production or exploration results. Movements in the price of gold, as well as increased production costs or alteration in recovery rate, may render the proven and probable mineral reserves unprofitable to develop at a particular property or for a specific mine.
- (7) All mineral reserves are calculated in accordance with NI 43-101.

Reconciliation of reserves

The following table reconciles Eldorado's mineral reserves for Kişladağ and Tanjianshan after taking into account gold production for 2008:

Mine	Mineral reserves at 31 December 2007			Mined in 2008			Other increases/ decreases in 2008			Mineral reserves at 31 December 2008		
	Tonnes (000)	Grade g/t	Oz. (000)	Tonnes (000)	Grade g/t	Oz. (000)	Tonnes (000)	Grade g/t	Oz. (000)	Tonnes (000)	Grade g/t	Oz. (000)
Kişladağ	153,330	1.12	5,500	7,556	1.27	310	15,783	0.66	333	161,557	1.06	5,523
Tanjianshan ⁽⁴⁾	7,342	3.96	934	859	5.34	147	278	3.36	30	6,761	3.76	817

(1) Gold price used is US\$725 per ounce.

(2) Gold cut-off grades (g/t): Kişladağ: 0.35g/t oxide, 0.50g/t sulphide; Tanjianshan: 1.3g/t JLG oxide, 1.64g/t JLG sulphide.

(3) Qualified persons: Richard Miller, PEng, Manager, Mine Engineering of Eldorado, is responsible for the Kişladağ and Tanjianshan mineral reserves. See section 12.9 for information on qualified persons.

(4) Mineral reserves from Tanjianshan are stated on a 100% ownership basis; however, Eldorado only owns 90% of Tanjianshan.

(5) Mineral reserves estimates are included in the mineral resources.

(6) The cut-off grades for the deposits are based on certain assumptions for plant recovery, gold value, mining dilution and recovery, along with operating and capital costs projections that are based on the historical production figures. Estimated mineral resources and mineral reserves may have to be recalculated based on actual production or exploration results. Movements in the price of gold, as well as increased production costs or alteration in recovery rate, may render the proven and probable mineral reserves unprofitable to develop at a particular property or for a specific mine.

(7) All mineral reserves are calculated in accordance with NI 43-101.

4 Profile of Eldorado

Resources

The following table presents the measured, indicated and inferred mineral resources for Kışladağ, Tanjianshan, Efemçukuru and Perama. All resources are calculated as at 31 December 2008 in accordance with NI 43-101 and CIM. These resource estimates include the estimated reserves outlined above.

Measured, Indicated and Inferred Gold Resources

Property	Tonnes (000)	Grade (Au g/t)	In-situ gold ounces (000)
Kışladağ			
Measured	72,810	1.04	2,432
Indicated	207,070	0.82	5,430
M + I	279,880	0.88	7,862
Inferred	126,900	0.63	2,552
Tanjianshan			
Measured	6,985	3.34	751
Indicated	2,941	2.76	261
M + I	9,926	3.17	1,012
Inferred	3,493	3.54	398
Efemçukuru			
Measured	1,235	13.80	548
Indicated	3,683	8.39	993
M + I	4,918	9.75	1,541
Inferred	2,109	9.95	675
Perama			
Measured	–	–	–
Indicated	11,710	3.62	1,363
M + I	11,710	3.62	1,363
Inferred	8,733	1.96	552
Total			
Measured	81,030	1.43	3,731
Indicated	225,404	1.11	8,047
M + I	306,434	1.20	11,778
Inferred	141,235	0.92	4,177

- (1) Gold prices used are US\$725 per ounce for Kışladağ and Tanjianshan, US\$530 per ounce for Efemçukuru and US\$350 per ounce for Perama.
- (2) Gold cut-off grades (g/t): Kışladağ: 0.4g/t; Tanjianshan: 1.0g/t; Efemçukuru: 3.0g/t; Perama: 1.0g/t.
- (3) Stephen Juras, PhD, PGeo and Manager, Geology for Eldorado, is the qualified person responsible for all the mineral resource estimates for Eldorado's material properties, namely Kışladağ, Tanjianshan and Efemçukuru; Eldorado does not currently consider Perama to be a material property. See section 12.9 for information on qualified persons.
- (4) The cut-off grades for the deposits are based on certain assumptions for plant recovery, gold value, mining dilution and recovery, along with operating and capital costs projections that are based on the historical production figures. Estimated mineral resources may have to be re-calculated based on actual production or exploration results.
- (5) Mineral reserves from Tanjianshan are stated on a 100% ownership basis; however, Eldorado only owns 90% of Tanjianshan.
- (6) Mineral resources are not mineral reserves and do not have demonstrated economic viability.
- (7) Mineral resources are inclusive of mineral reserves.

4.7 Production and operation

The following table summarises Eldorado's total production and operating information for each of the quarterly and yearly periods indicated:

Production highlights

	First six months 2009	First six months 2008	Total 2008	Total 2007
Gold Production				
Ounces Produced	145,998	154,614	308,802	281,135
Cash Operating Cost (US\$/oz) ^{(1),(4)}	298	222	257	236
Total Cash Cost (US\$/oz) ^{(2),(4)}	319	263	289	263
Total Production Cost (US\$/oz) ^{(3),(4)}	382	337	370	338
Realised Price (US\$/oz – sold)	920	917	876	674
Kışladağ, Turkey				
Ounces Produced	109,177	82,718	190,334	135,306
Tonnes to Pad	4,513,325	2,622,437	7,555,881	4,547,860
Grade (grams/tonne)	1.26	1.41	1.27	1.33
Cash Operating Cost (US\$/oz) ⁽⁴⁾	271	225	254	189
Total Cash Cost (US\$/oz) ^{(2),(4)}	273	228	256	192
Total Production Cost (US\$/oz) ^{(3),(4)}	312	264	291	224
Tanjianshan, China				
Ounces Produced	36,821	71,896	118,468	138,162
Tonnes Milled	459,940	416,430	858,829	757,354
Grade (grams/tonne)	4.81	6.46	5.31	6.23
Cash Operating Cost (US\$/oz) ⁽⁴⁾	378	219	261	288
Total Cash Cost (US\$/oz) ^{(2),(4)}	454	303	343	342
Total Production Cost (US\$/oz) ^{(3),(4)}	591	420	496	472

(1) Cost figures calculated in accordance with the Gold Institute Standard.

(2) Cash Operating Costs, plus royalties and the cost of off-site administration.

(3) Total Cash Costs, plus foreign exchange gain or loss, depreciation, amortisation and reclamation expenses.

(4) Cash operating, total cash and total production costs are non-GAAP measures.

(5) Kışladağ temporarily ceased operations on 18 August 2007 and reopened on 6 March 2008.

(6) Tanjianshan commenced commercial production on 1 February 2007. Mineral reserves from Tanjianshan are stated on a 100% ownership basis; however, Eldorado only owns 90% of Tanjianshan.

4 Profile of Eldorado

The 'Cash Operating Costs' and the 'Total Production Costs' above were calculated in accordance with the standard developed by The Gold Institute, a world wide association of suppliers of gold and gold products that included leading North American gold producers. The Gold Institute ceased operations in 2002, but the standard is a widely accepted standard of reporting cash costs of production in North America. Adoption of the standard is voluntary and the cost measures set forth above may not be comparable to other similarly titled measures of other companies. Total Cash Operating Costs per ounce are derived from amounts included in Eldorado's Statements of Operations and Deficits and include mine site operating costs such as mining, processing and administration, but exclude royalties and production taxes, amortisation, reclamation costs, financing costs and capital development and exploration costs. These costs are then divided by ounces produced to arrive at the cash operating costs per ounce of production. Total Production Costs are Cash Operating Costs plus royalties and production taxes, and provision for depreciation, depletion and amortisation and reclamation. This data is designed to provide additional information and are non-GAAP financial measures. It should not be considered in isolation as a substitute for measures of performance prepared in accordance with Canadian GAAP and is not necessarily indicative of operating costs under Canadian GAAP.

4.8 Directors of Eldorado

Brief profiles of the directors of Eldorado as at the date of this booklet are as follows:

(a) Hugh C. Morris,

Non-Executive Chairman of the Board

Dr Hugh Morris was appointed to the Board of Directors of Eldorado in January 1995 and was appointed Chairman of the Board in April 1998. Since graduating from Witwatersrand University in 1953, Dr Morris has distinguished himself as a leader in the mining industry. He was Director of Exploration for Cominco, President of Geomex Minerals and Chairman and CEO of Imperial Metals. Dr Morris is currently a director of Diamondex Resources and Triex Minerals Corporation, a Fellow of the Royal Society of Canada and is a Professional Engineer (BC). He is a member of the Canadian Institute of Mining and Metallurgy and the Geological Association of Canada.

(b) John S. Auston, Independent Director

John Auston was elected to the Board of Directors of Eldorado in April 2003. He has more than 40 years of experience in the mining industry in Canada, the United States and Australia. A graduate of McGill University with a Bachelor of Science degree in Honours Geology and a Master of Science degree in Applied Mineral Exploration, he also completed the Program for Management Development at Harvard University. John served as Executive Vice-President of the Selco Mining Group and President and CEO of Amselco Minerals. From 1980 to 1992, he held senior executive positions with the minerals arm of British Petroleum Group in Toronto, Melbourne and Denver. Mr Auston served as President and CEO of Granges and Hycroft Resources from 1992 to 1995 and of Ashton Mining of Canada from 1996 to 2000 and has recently retired from the board of directors of Cameco Corporation and Centerra Gold.

(c) K. Ross Cory, Independent Director

Ross Cory was elected to the Board of Directors of Eldorado in April 2003. A former Senior Vice-President of Raymond James, Ross has more than 15 years of investment banking experience with a focus on industrial growth companies and the mining industry. Ross is a graduate of the University of British Columbia with a Bachelor of Science degree and an MBA in Finance and International Business. He began his career in investment banking with Richardson Greenshields of Canada in 1987, and in 1989 he was a founding partner, Senior Vice-President and Director of Goepel Shields & Partners Inc., which became Raymond James in 2001 when it was acquired by US-based Raymond James Financial Inc.

(d) Robert R. Gilmore, Independent Director

Robert Gilmore was elected to the Board of Directors of Eldorado in April 2003. An independent financial consultant with 30 years of experience, he is a graduate of the University of Denver with a Bachelor of Science in Business Administration, Accounting. Robert began his career in 1973 with Coopers & Lybrand (now PricewaterhouseCoopers LLP), working with the firm for seven years in Denver and New York. In his more than 20 years of experience with resource companies, he has served as Treasurer of Barringer Resources and Chief Financial Officer of US Gold Corporation, Dakota Mining Corporation and Teamshare. Robert is a Certified Public Accountant and a Member of the Colorado Society of Certified Public Accountants and the American Institute of CPAs. He has served on the board of directors and chaired the audit committees of several public companies and currently is on the board of Layne Christensen Company.

(e) Geoffrey Handley, Independent Director
Geoffrey Handley was appointed to the Board of Directors of Eldorado in August 2006. Mr. Handley was most recently Executive Vice President, Strategic Development with Placer Dome. He has over 35 years of extensive experience in the mining resource industry. Geoff holds an Honours BSc from the James Cook University of North Queensland.

(f) Wayne D. Lenton, Independent Director
Wayne Lenton was appointed to the Board of Directors of Eldorado in June 1995. He is a graduate of the Montana School of Mines with a Bachelor of Science degree in Metallurgical Engineering. Wayne has over 30 years of experience in the mining industry. In 1979, Wayne joined AMAX of Canada as Vice President, Operations. In 1985, he was appointed President, CEO and Director of Canada Tungsten Mining Corporation, as well as President of AMAX of Canada and President of AMAX Northwest Mining Company. In 1989, he became Chairman of the Board of Minerex Resources and in 1993, he was appointed President and Chief Executive Officer of Canada Tungsten Inc, as a result of the amalgamation of Canada Tungsten Mining Corporation, Canamax Resources and Minerex Resources. Wayne is a past Chairman of the Mining Association of British Columbia and was a Director of the Mining Association of Canada. He is a member of the Canadian Institute of Mining & Metallurgy, the American Institute of Mining, Metallurgical and Petroleum Engineers and is a retired Professional Engineer in British Columbia and the Yukon Territory. Wayne is currently working as an independent consultant in Tucson, Arizona, and is a director of several public companies.

(g) Jonathan A. Rubenstein, Independent Director
Jonathan Rubenstein was elected to the Board of Directors of Eldorado in May 2009. He has a BA from Oakland University in Rochester, Michigan and an LLP from the University of British Columbia. Mr Rubenstein was one of the founders of Canico Resources Corp., where he served as a Director and as Vice President & Corporate Secretary from 2002 to 2005 as the company acquired, explored and developed its Onca Puma nickel deposit in Brazil. As Vice President, Corporate Affairs for Sutton Resources from 1995 to 1999 he played a key role in negotiating the C\$525 million takeover of that company by Barrick Gold Corporation. Mr Rubenstein was a founder and director of Cumberland Resources Ltd and served on its Special Committee in respect of its takeover by Agnico-Eagle Mines Ltd and was a director of Aurelian Resources Inc and served on its Special Committee in respect of its 2008 C\$1.2 billion takeover by Kinross Gold Corporation. Mr Rubenstein retired from his private law practice in 1994 and since that time has been a mining executive and corporate director.

(h) Donald Shumka, Independent Director
Donald Shumka was appointed to the Eldorado Board of Directors on 3 May 2005. Mr Shumka is President and Managing Director of Walden Management Ltd a firm that provides financial consulting and advisory service to financial, manufacturing and processing industries. He has extensive financial and management experience – 15 years in investment banking with Raymond James and CIBC World Markets, Canadian investment firms, and 25 years in the forest industry where he was for a decade the Vice President Finance and Chief Financial Officer of a West Fraser Timber company. Mr Shumka received his Master of Business Administration degree from Harvard University and his Bachelor of Arts degree from University of British Columbia.

(i) Paul N. Wright,

President & Chief Executive Officer, Director
Paul Wright joined Eldorado in July 1996 and held the positions of Vice President, Mining and Senior Vice President, Operations before being appointed President and Chief Executive Officer in October 1999. A graduate of the University of Newcastle upon Tyne, Paul has over 30 years of experience in developing and operating open pit and underground gold mines. Prior to joining Eldorado, he worked with Placer Dome, the Redpath Group and Granges. Paul is a member of the Canadian Institute of Mining and Metallurgy, the Institution of Mining and Metallurgy of London and is a Chartered Engineer (UK).

4.9 Directors of Eldorado Pacific

Brief profiles of the directors of Eldorado Pacific as at the date of this booklet are as follows:

(a) Geoffrey Handley, Independent Director
Geoffrey Handley is an Independent Director of Eldorado. For further details on Geoffrey's biography please see section 4.8.

(b) Paul N. Wright,

President & Chief Executive Officer
Paul Wright is President & Chief Executive Officer, as well as a director of Eldorado. For further details on Paul's biography see section 4.8.

4 Profile of Eldorado

4.10 Eldorado executive officers

(a) Paul N. Wright,

President & Chief Executive Officer

Paul Wright is President & Chief Executive Officer, as well as a director of Eldorado. For further details on Paul's biography see section 4.8.

(b) Earl W. Price, *Chief Financial Officer*

Earl Price joined Eldorado in March 1997 and held the positions of Senior Operations Controller and Vice President, Finance before being appointed Chief Financial Officer in January 2003. Earl holds an MBA and is a Certified Public Accountant with over 30 years of financial and management experience. Prior to joining Eldorado, he worked internationally with British Petroleum and Rio Tinto, and was Vice President and Controller for SNC-Lavalin Group.

(c) Norm S. Pitcher, *Chief Operating Officer*

Norm Pitcher was appointed Chief Operating Officer effective 1 July, 2005. Prior to becoming COO, Norm was Vice President Exploration and Corporate Development of Eldorado where he led its exploration activities and identified new business opportunities. A graduate of the University of Arizona with a Bachelor of Science in geology, Norm has over 25 years of experience in the mining industry. Throughout his career with Eldorado, Pan American Silver, H. A. Simons, Ivanhoe Gold and Pioneer Metals, Norm has been involved in exploration, evaluation, and exploitation of open pit and underground mineral deposits on a world wide basis.

(d) Dawn L. Moss,

VP, Administration and Corporate Secretary

Dawn Moss joined Eldorado as Corporate Administrator in November 1998 and was appointed Corporate Secretary in October 2000 and Vice President, Administration in August 2008. Prior to joining Eldorado, Dawn worked within the mining industry for Diagem International and Beringer Gold.

4.11 Historical financial information

Eldorado is a resident of Canada for tax purposes and prepares its annual report in accordance with Canadian GAAP, and presents its financial information in US\$.

The Eldorado historical financial information provided below has been extracted from the financial statements contained in the audited annual reports of Eldorado for the two years ended 31 December 2007 and 31 December 2008 and the unaudited interim financial statements of Eldorado for the six month period ended 30 June 2009.

For the purposes of the disclosure of Eldorado's Canadian GAAP, financial information in A\$, provided in the following tables, Eldorado's US\$ balance sheets, statements of operations and deficit and statements of cash flows have been converted to an A\$ presentation currency on the following basis:

- (a) items of income and expense and cash inflows and cash outflows have been converted based on the average exchange rate for the relevant period;
- (b) assets and liabilities have been converted based on the closing exchange rates at 31 December 2008 and 30 June 2009; and
- (c) due to the long history of operations of Eldorado, details of all equity transactions and the exchange rate prevailing at the date of the transactions have not been able to be specifically identified, nor has management attempted to estimate them. As a result, equity items have been converted based on the closing exchange rates at 31 December 2008 and 30 June 2009.

The A\$ presentation is for information purposes only. The translation method adopted above results in the following differences within the A\$ financial statements:

- a difference between the deficits balance (at period end) reflected in the statement of operations and deficits and balance sheet respectively; and
- a difference between the cash and cash equivalents balance (at period end) reflected in the statement of cash flows and balance sheet respectively.

This information does not, and cannot be expected to, provide as full an understanding of the financial performance, financial position and financing and investing activities of Eldorado as the full consolidated financial statements. Copies of Eldorado's 2007 and 2008 Annual Reports, including the consolidated financial statements and independent auditor's reports, are available on Eldorado's website www.eldoradogold.com. Information on Eldorado's website does not constitute a part of this booklet and should not be considered in deciding how to vote on a Scheme.

Balance sheets

Set out below are Eldorado's consolidated Canadian GAAP balance sheets as at 31 December 2008 and 30 June 2009. All amounts are rounded to the nearest one hundred thousand dollars.

Consolidated Balance Sheets	As at 30 June 2009 (US\$ million) (unaudited)	As at 30 June 2009 (A\$ million) (unaudited)	As at 31 Dec 2008 (US\$ million) (audited)	As at 31 Dec 2008 (A\$ million) (unaudited)
ASSETS				
Current assets				
Cash and cash equivalents	135.7	167.3	61.9	88.1
Restricted cash	5.5	6.8	–	–
Marketable securities	14.2	17.4	43.6	62.1
Accounts receivable and other	18.2	22.4	36.1	51.5
Inventories	104.2	128.5	87.0	123.9
Future income taxes	–	–	0.2	0.2
	277.8	342.4	228.8	325.8
Non current assets				
Restricted assets and other	8.3	10.2	8.3	11.9
Mining interests	691.3	852.0	668.3	952.1
	977.4	1,204.6	905.4	1,289.8
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	44.0	54.2	42.7	60.8
Debt	5.1	6.3	0.1	0.1
Future income taxes	1.6	2.0	1.1	1.6
	50.7	62.5	43.9	62.5
Non current liabilities				
Asset retirement obligations	5.0	6.1	4.9	6.9
Future income taxes	59.8	73.7	60.0	85.5
	115.5	142.3	108.8	154.9
NON CONTROLLING INTEREST				
	5.8	7.2	4.8	6.9
SHAREHOLDERS' EQUITY				
Share capital	951.3	1,172.4	931.9	1,327.6
Contributed surplus	18.9	23.3	19.4	27.6
Accumulated other comprehensive income (loss)	0.5	0.6	(6.0)	(8.5)
Deficit	(114.6)	(141.2)	(153.5)	(218.7)
	856.1	1,055.1	791.8	1,128.0
	977.4	1,204.6	905.4	1,289.8

4 Profile of Eldorado

Consolidated statements of operations and deficit

Set out below are Eldorado's consolidated Canadian GAAP statements of operations and deficit for the six months ended 30 June 2009 and the two years ended 31 December 2007 and 31 December 2008. All amounts are rounded to the nearest one hundred thousand dollars, except basic and diluted earnings per share which are disclosed in dollars.

Consolidated Statements of Operations and Deficit	Six months ended 30 June 2009 (US\$ million) (unaudited)	Six months ended 30 June 2009 (A\$ million) (unaudited)	Year ended 31 Dec 2008 (US\$ million) (audited)	Year ended 31 Dec 2008 (A\$ million) (unaudited)	Year ended 31 Dec 2007 (US\$ million) (audited)	Year ended 31 Dec 2007 (A\$ million) (unaudited)
Revenue						
Gold sales	132.3	185.9	277.7	325.8	179.3	214.6
Interest and other income	0.6	0.8	10.5	12.3	9.4	11.2
	132.9	186.7	288.2	338.1	188.7	225.8
Expenses						
Operating costs	47.0	65.9	92.0	107.9	72.7	87.0
Depletion, depreciation and amortisation	11.0	15.4	26.0	30.5	20.0	24.0
General and administrative	16.7	23.4	38.3	44.9	26.8	32.1
Exploration	5.4	7.8	12.3	14.4	11.7	13.9
Mine standby costs	0.9	1.3	2.4	2.9	6.6	7.9
Asset retirement obligation costs	0.1	0.2	3.1	3.6	0.6	0.7
Foreign exchange loss (gain)	(1.1)	(1.6)	0.2	0.2	(4.7)	(5.6)
	80.0	112.4	174.3	204.4	133.7	160.0
Gain on disposal of assets	(1.5)	(2.1)	(70.8)	(83.0)	(3.6)	(4.3)
Gain on marketable securities	(0.1)	(0.2)	(2.5)	(2.9)	(0.2)	(0.3)
Interest and financing costs	0.1	0.2	2.9	3.4	3.4	4.1
Loss (gain) on derivative contract	–	–	3.0	3.5	(2.1)	(2.5)
	78.5	110.3	106.9	125.4	131.2	157.0
Income before income taxes and non controlling interest	54.4	76.4	181.3	212.7	57.5	68.8
Income tax (expense) recovery						
Current	(13.7)	(19.2)	(25.4)	(29.8)	(4.8)	(5.7)
Future	(0.7)	(1.1)	12.9	15.1	(17.3)	(20.7)
	(14.4)	(20.3)	(12.5)	(14.7)	(22.1)	(26.4)
Non controlling interest	(1.0)	(1.4)	(5.1)	(6.0)	–	–
Net income for the year	39.0	54.7	163.7	192.0	35.4	42.4
Deficit, beginning of period:	(153.6)	(215.6)	(317.2)	(372.1)	(353.5)	(423.0)
Change in accounting policy	–	–	–	–	0.9	1.0
Deficit, end of period	(114.6)	(160.9)	(153.5)	(180.1)	(317.2)	(379.6)
Earnings per share						
Basic income per share (\$)	0.11	0.15	0.46	0.54	0.10	0.12
Diluted income per share (\$)	0.10	0.14	0.46	0.54	0.10	0.12

Statements of cash flows

Set out below are Eldorado's consolidated Canadian GAAP statements of cash flows for the six months ended 30 June 2009 and the two years ended 31 December 2007 and 31 December 2008. All amounts are rounded to the nearest one hundred thousand dollars.

Consolidated Statements of Cash flows	Six months ended 30 June 2009 (US\$ million) (unaudited)	Six months ended 30 June 2009 (A\$ million) (unaudited)	Year ended 31 Dec 2008 (US\$ million) (audited)	Year ended 31 Dec 2008 (A\$ million) (unaudited)	Year ended 31 Dec 2007 (US\$ million) (audited)	Year ended 31 Dec 2007 (A\$ million) (unaudited)
Cash flows generated from (used in) Operating activities						
Net income for the period	38.9	54.7	163.7	192.0	35.4	42.4
Items not affecting cash						
Asset retirement obligations costs	0.1	0.2	3.1	3.6	0.6	0.7
Contractual severance expense	–	–	–	–	0.7	0.9
Depletion, depreciation and amortisation	11.0	15.4	26.0	30.5	20.0	24.0
Unrealised foreign exchange (gain) loss	(0.4)	(0.6)	(4.0)	(4.6)	0.8	1.0
Future income taxes expenses (recovery)	0.8	1.1	(12.9)	(15.1)	17.3	20.7
Gain on disposal of assets	(1.5)	(2.1)	(70.8)	(83.0)	(3.6)	(4.3)
Gain on marketable securities	(0.1)	(0.2)	(2.5)	(2.9)	(0.2)	(0.3)
Imputed interest and financing costs	–	–	–	–	0.1	0.1
Stock based compensation	5.8	8.1	11.9	13.9	7.3	8.6
Fair value of bonus cash award units	–	–	1.8	2.1	–	–
Pension expense	0.8	1.3	1.5	1.7	–	–
Non controlling interest	1.0	1.4	5.1	6.0	–	–
Loss on derivative contract	–	–	3.0	3.5	(2.1)	(2.5)
	56.4	79.3	125.9	147.7	76.3	91.3
Bonus cash award units payments	(2.6)	(3.6)	–	–	–	–
Property reclamation payments	–	–	(1.2)	(1.4)	(5.5)	(6.6)
Contractual severance payments	–	–	(1.0)	(1.1)	(2.5)	(2.9)
Changes in non-cash working capital	8.7	12.2	(18.2)	(21.3)	1.5	1.8
	62.5	87.9	105.5	123.8	69.8	83.6

4 Profile of Eldorado

Statements of cash flows (continued)

Consolidated Statements of Cash flows	Six months ended 30 June 2009 (US\$ million) (unaudited)	Six months ended 30 June 2009 (A\$ million) (unaudited)	Year ended 31 Dec 2008 (US\$ million) (audited)	Year ended 31 Dec 2008 (A\$ million) (unaudited)	Year ended 31 Dec 2007 (US\$ million) (audited)	Year ended 31 Dec 2007 (A\$ million) (unaudited)
Investing activities						
Mining interests						
Acquisition of Frontier net of cash received	–	–	7.5	8.8	–	–
Capital expenditures	(38.8)	(54.6)	(123.9)	(145.4)	(97.9)	(117.1)
Sales and disposals	–	–	5.2	6.1	1.5	1.8
Marketable securities						
Purchases	–	–	(20.4)	(24.0)	(1.6)	(1.9)
Disposals	36.4	51.1	25.7	30.2	0.7	0.8
Pension plan contributions	(1.9)	(2.5)	(3.7)	(4.4)	–	–
Restricted cash and other restricted assets	(3.0)	(4.2)	71.5	83.9	5.5	6.6
	(7.3)	(10.2)	(38.1)	(44.8)	(91.8)	(109.8)
Financing activities						
Capital stock						
Issuance of common shares for cash	13.6	19.1	14.7	17.3	9.5	11.4
Dividend paid to non controlling interest	–	–	(0.3)	(0.4)	–	–
Long-term and bank debt						
Proceeds	5.0	7.0	5.0	5.8	24.9	29.7
Repayments	–	–	(70.9)	(83.1)	(26.4)	(31.5)
	18.6	26.1	(51.5)	(60.4)	8.0	9.6
Net increase (decrease) in cash and cash equivalents	73.8	103.8	15.9	18.6	(14.0)	(16.6)
Cash and cash equivalents – beginning of period	61.9	72.6	46.0	55.1	60.0	79.6
Effect of exchange rate fluctuations on the cash held	–	14.2	–	(1.1)	–	(7.9)
Cash and cash equivalents – end of period	135.7	190.6	61.9	72.6	46.0	55.1

4.12 Management discussion

Management discussion for the six months ended 30 June 2009

The information in this section has been adapted from the management discussion and analysis contained in Eldorado's Unaudited Interim Consolidated Financial Statements in respect of the quarters ended 31 March 2009 and 30 June 2009.

(a) Highlights of the six months ended 30 June 2009

For the six months ended 30 June 2009, Eldorado:

- reported earnings of US\$0.11 per share;
- sold 143,912 ounces of gold at a realised average price of US\$920;
- produced 145,998 ounces of gold at a cash operating cost of US\$298 per ounce;
- completed commissioning of the sulphide ore processing facility ('the roaster') at Tanjianshan;
- disposed of its interest in the Macusani East Uranium project; and
- entered into an agreement with GFA to acquire 57.9 million Sino Gold shares, representing approximately 19.8%¹ of the issued and outstanding shares of Sino Gold.

(b) Summary of consolidated results

Net income

Eldorado achieved consolidated net income of US\$39.0 million for the six months ended 30 June 2009, representing US\$0.11 per share. Higher operating costs were offset by lower general and administrative costs and income tax expense. Operating costs increased at both of Eldorado's mines due to the transition from oxide to sulphide ore.

Gold sales

Eldorado's gold revenues consist of gold bullion sales at spot. Eldorado sells the refined bullion either to large financial institutions or on the Istanbul and Shanghai Gold Exchanges.

Gold sales were US\$132.4 million; refer to the summary table below.

Six months ended
30 June 2009

Gold ounces sold	
Kışladağ	110,696
Tanjianshan	33,216
Total gold ounces sold	143,912
Average selling price (US\$ per ounce)	919.68
Gold revenues (US\$'000s)	132,353

Operating costs

Operating costs were adversely affected by higher unit costs at Tanjianshan (higher roaster operating costs coupled with lower grades and recoveries from JLG ore production) and higher reagent costs at Kışladağ (related to the transition from oxide to sulphide ore).

Depletion, depreciation and amortisation (DD&A)

The increase in DD&A expenses was largely driven by capitalised stripping costs of the JLG pit and capitalised roaster construction costs, coupled with capitalised acquisition costs of the mining fleet at Kışladağ.

General and administrative

General and administrative costs relates to Eldorado's head office in Vancouver, Canada, as well as Eldorado's liaison offices in Ankara, Turkey and Beijing, China. A decline in general and administrative costs was primarily due to lower stock-based compensation expenses.

Gain on disposal of assets

Gain on disposal of US\$1.5 million was attributable to the sale of the Macusani East Uranium project.

Income taxes

Income tax expense for the period was US\$14.4 million, reduced largely by São Bento inter company currency loans. Future income tax expenses primarily relates to unrealised foreign exchange gains on inter company currency loans following disposal of São Bento in December 2008.

(c) Liquidity

At 30 June 2009, Eldorado had cash and cash equivalents of US\$135.7 million and working capital of US\$227.1 million, compared with US\$61.9 million of cash and cash equivalents and working capital of US\$184.8 million at the beginning of the year. Eldorado management believes that working capital levels at 30 June 2009, together with future cash flows from operations, are sufficient to support the Company's commitments.

Eldorado achieved US\$56.5 million cash inflow from operations, against a net income for the period of US\$39.0 million.

Note:

1 Based on there being 292,578,478 Sino Gold shares on issue at the date of this booklet.

4 Profile of Eldorado

(d) Production and operations

General

Eldorado produced 145,998 ounces of gold in the period at an average cost of US\$382 per ounce (cash operating cost of US\$298 per ounce).

Contributions from Tanjianshan and Kışladağ were:

- production of 36,821 ounces at an average cost of US\$591 per ounce (cash operating cost of US\$378 per ounce) from Tanjianshan; and
- production of 109,177 ounces at an average cost of US\$312 per ounce (cash operating cost of US\$271 per ounce) from Kışladağ.

Tanjianshan in China

Gold in-circuit inventories increased during the period due to production bottlenecks. Commercial production from the roaster commenced at the beginning of the second quarter of 2009; however, gold recovery continues to improve through the flotation and roaster circuits, as bottlenecks were being eliminated.

Capital expenditures during the period were US\$6.0 million, with the majority of the capital spending related to the roaster construction and commissioning program.

Kışladağ in Turkey

Production at Kışladağ improved in the period as weather conditions returned to more normal patterns. Also, the strip ratio continued at a planned high rate of 1.33:1 (waste:ore) compared to a LOM ratio of 0.8:1 (waste:ore), taking advantage of lower fuel prices and excess capacity in the mining fleet.

Capital expenditures at Kışladağ for the period were US\$7.1 million. This capital spending mostly related to leach pad expansion and transfer chute modifications.

(e) Development

Efemçukuru in Turkey

Eldorado continued infill drilling of the north ore shoot and completed more than 4,500 metres of core drilling during the period. Construction activity focused on preparation of the concentrator sites, administration sites and the north portal area. In addition, preparations were made in the rock dump area for installation of a toe liner for water management.

Engineering and procurement progressed as scheduled, which included the detailed design of the concentrator building and ore bins, the design of ancillary facilities (Efemçukuru site) and design of the concentrate treatment plant (Kışladağ). Major equipment packages and orders were placed with vendors. Capital expenditure totalled US\$11.3 million for the period.

Vila Nova in Brazil

Eldorado completed the construction and commissioning of the process circuit at Vila Nova. However, the project was placed on care and maintenance due to weak global demand for iron ore. Nevertheless, Eldorado undertook metallurgical test work to explore opportunities to further upgrade quality of the ore in the circuit. Capital expenditure totalled US\$7.0 million for the period.

Perama in Greece

Preparation work undertaken included preliminary costing, production planning, preliminary environmental impact assessment and discussion with local authorities. Eldorado incurred US\$0.8 million on this site over the period.

Tocantinzinho in Brazil

Development work undertaken included diamond drilling and scoping level engineering studies which incurred US\$2.4 million during the period.

(f) Exploration

Turkey

Key exploration initiatives undertaken in Turkey include:

- reconnaissance work conducted at the Sayacik, Konya-Sizma and Arpali projects, which included a property-wide induced polarisation geophysical survey and drilling. Various geophysical anomalies were observed and are being evaluated for follow-up;
- at Efemçukuru, Eldorado drilled 4,358 metres in 17 holes to define the zone of mineralisation along the north-west portion of the deposit and the area between the middle ore shoot and the north ore shoot. Results were positive, particularly at depth and in the north-west zone of the deposit; and
- drilling began at Kışladağ and totalled 5,568 metres in eight diamond drill holes.

Brazil

In Brazil, Eldorado drilled 20 more diamond drill holes totalling 6,681 metres at the Tocantinzinho project.

China

At Tanjianshan, the rotary air blast drilling program drilled 216 holes during the quarter. Results indicated an anomalous zone extending southward from the known Qinlongtan mineralisation.

Management discussion for the year ended 31 December 2008

(a) Highlights of 2008

During the year ended 31 December 2008, Eldorado:

- reported record earnings of US\$0.46 per share;
- produced 308,802 ounces of gold at a cash operating cost of US\$257 per ounce;
- sold 316,918 ounces of gold at a realised average price of US\$876 per ounce;
- resumed operations on 6 March 2008 at Kışladağ, which had been on standby since 18 August 2007, and completed the mine's expansion project, doubling its mining and processing capacity to a rate of 10 million tonnes of ore per year;
- completed the sale of its São Bento gold mine in Brazil (**São Bento**) to AngloGold Ashanti for US\$70.0 million in AngloGold Ashanti shares, resulting in a gain of US\$72.5 million after consideration of net liabilities divested (US\$0.21 per share);
- began construction at Efemçukuru in Turkey;
- acquired Frontier and Perama in Greece;
- neared completion of construction of its Vila Nova in Brazil;
- finalised an agreement with Brazauro Resources Corporation to earn an interest in the 43,000 hectares Tocantinzinho gold project in Brazil; and
- generated US\$105.5 million in cash from operating activities, which was used to pay off debt of US\$70.9 million and fund ongoing development projects.

(b) Summary of consolidated results

Net income

Eldorado's consolidated net income for 2008 was US\$163.7 million or US\$0.46 per share. Strong performances from Kışladağ and Tanjianshan, as well as the US\$72.5 million (US\$0.21 per share) gain on the sale of São Bento, were the main drivers of Eldorado's strong net income. Additionally, net income was positively affected by a US\$9.2 million decrease in future income tax related to a 20% reduction in Greek income tax rates.

Gold sales

Gold sales were US\$277.7 million and were positively impacted by increases in both selling prices and sales volumes. Selling prices in 2008 increased 30% over prior year, and ounces sold in 2008 increased 19% over prior year, reflecting increased production from Kışladağ and Tanjianshan.

Refer to the summary table below.

	2008
Gold ounces sold	
Kışladağ	185,425
Tanjianshan	131,493
Total gold ounces sold	316,918
Average selling price (US\$ per ounce)	876.32
Gold revenues (US\$'000s)	277,723

Operating costs

Operating costs in 2008 increased due to increased sales volumes and higher costs of production at Kışladağ. At Kışladağ, production costs increased due to increased lime consumption, as ore with higher sulphide content was treated on the leach pad.

Depletion, depreciation and amortisation (DD&A)

DD&A expense of US\$26.0 million was adversely impacted by higher volumes of ore processed at Kışladağ.

General and administrative

Eldorado's general and administrative expenses increased driven by expanding international operations and additional administrative staff required to support the expansion.

Gain on disposal of assets

Eldorado reported a net gain on the disposal of assets totalling US\$70.8 million. The net gain was driven by a US\$72.5 million gain on the sale of São Bento, partially offset by a US\$1.7 million loss on the disposal of mining equipment at Tanjianshan.

4 Profile of Eldorado

Income taxes

Current income tax expense for 2008 was US\$25.4 million, with tax expense by country as follows:

- **Turkey** – US\$14.4 million;
- **China** – US\$6.9 million (negatively impacted by higher profits); and
- **Brazil** – US\$4.1 million (relates largely to a taxable gain that was triggered by the repayment of inter company debt as part of the Vila Nova spin-off prior to the sale of São Bento. The taxes due in Brazil were completely offset by tax credits from prior years).

Future income tax recovery for 2008 was US\$12.9 million.

Future tax recovery (expense) by country was:

- **Turkey** – US\$3.5 million expense;
- **China** – US\$3.4 million expense;
- **Brazil** – US\$9.5 million recovery (largely due to the reversal of unrealised foreign exchange gains on inter company loans); and
- **Greece** – US\$10.3 million recovery (driven by a reduction of the Greek income tax rate from 25% to 20%).

(c) Liquidity

As at 31 December 2008, Eldorado had cash and cash equivalents of US\$61.9 million, a US\$15.8 million increase from its opening balance of US\$46.0 million.

Eldorado achieved a cash conversion rate of 64.5%¹ from net earnings for the year, resulting in US\$105.5 million cash inflow from operations.

Proceeds from disposal of the São Bento gold mine were largely applied against debt repayments.

Eldorado invested US\$124.0 million in capital expenditures and mining development (refer to paragraphs (d) and (e) below for details).

(d) Production and operations

General

Total production increased to 308,802 ounces in 2008 at an average cost of US\$370 per ounce (cash operating cost of US\$257 per ounce). This is comprised of:

- production of 118,468 ounces at an average costs of US\$496 per ounce (cash operating cost of US\$261 per ounce) in Tanjianshan; and
- production of 190,334 ounces at an average costs of US\$291 per ounce (cash operating cost of US\$254 per ounce) in Kışladağ.

Tanjianshan in China

In 2008, Eldorado milled a total of 858,829 tonnes of ore at Tanjianshan at an average grade of 5.31g/t.

Capital expenditure for the year was US\$38.9 million, with the majority of capital spending allocated to the Phase II construction program (a sulphide ore processing facility to treat sulphide ore from the newly opened JLG pit as well as an expanded tailings dam).

Kışladağ in Turkey

During 2008, approximately 7,555,881 tonnes of ore was placed on the leach pad at Kışladağ at an average grade of 1.27g/t. Mining operations resumed on 6 March 2008 after a court injunction which forced the mine to close on 18 August 2007.

Capital expenditure for the year was US\$27.3 million, largely driven by mobile equipment for plant and infrastructure upgrades (US\$11.3 million), an excavator and trucks (US\$5.2 million) and the lime project (US\$3.4 million).

(e) Development

Efemçukuru in Turkey

Eldorado drilled 1,519 metres at Efemçukuru in 2008. Of this, 961 metres related to exploration at North Ore Shoot and 558 metres related to geotechnical initiatives to support detailed mine designs.

By the end of 2008, Eldorado had completed the new access road to the site and had cleared and grubbed the plant site, rock dump and tailings area. Eldorado began constructing the north and south underground portals during the year, as well as the access road and pad for the north portal.

At 30 June 2009, Eldorado had purchased approximately 78% of the land required for operations. An expropriation decree was awarded which allows acquisition of the remaining private land at a price set by the government. During the year, the Fourth Administrative Court in Izmir ruled in favour of the Environmental Positive Opinion issued by the Ministry of Environment and Forestry for the project.

Capital spending at Efemçukuru in 2008 was US\$14.3 million.

Note:

1 Cash conversion calculated as cash inflow from operating activities over net earnings for the year.

Vila Nova in Brazil

On 25 February 2008, Eldorado received a construction permit issued by the Environmental Agency of Amapa State for the Vila Nova project and was able to commence construction and development activities.

During 2008, the majority of the construction was completed, including the crushing and screening plant, the ROM and finished product stockpiles, and the tailings impoundment area. Eldorado finished clearing the open pit, stockpiled topsoil and took delivery of all the major mining equipment, which is ready for use. Eldorado drilled a total of 2,708 metres during the year for metallurgical characterisation and mine planning, and Eldorado is continuing negotiations on the sale of the iron ore.

(f) Exploration

In 2008, exploration costs increased as Eldorado expanded its exploration activities in Brazil, Turkey, China and the United States of America.

Turkey

Key exploration initiatives in Turkey included:

- exploration work on the Sayacik project, adjacent to Kışladağ (main focus of 2008). Work included detailed mapping, a magnetic geophysical survey and soil geochemical sampling;
- exploration work on properties in the Central and Eastern Pontide regions of Turkey that included stream sampling and general mapping/prospecting;
- positive results were obtained for the Arpali porphyry project;
- at Efemçukuru, Eldorado completed seven drill holes totalling 1,292 metres over the north ore shoot, which successfully intersected precious metal and base metal rich intercepts; and
- exploration drilling program at Kışladağ identified areas of new oxide mineralisation in the south-east portion of the deposit and confirmed lateral extensions of sulphide mineralisation to the south-east and west.

Brazil

Eldorado's exploration efforts in Brazil focused on general reconnaissance of prospective lands in the Carajas and Tapajos regions of Para state. During the fourth quarter of 2008, emphasis switched to managing an infill diamond drill campaign at Tocantinzinho as part of Eldorado's joint venture commitment with Brazauro Resources. Results confirmed extent and predicted gold grades in areas of inferred mineral resources.

China

Exploration work at Tanjianshan focused mainly on the Xijinggou and Qinlongtan areas of the property, which identified two main areas of gold mineralisation (Xijinggou) and the presence of a dip reversal in the mineralised zone below the open pit floor (Qinlongtan).

United States of America

Eldorado conducted mapping, soil geochemical sampling and ground magnetic geophysical surveys on its joint venture projects with AuEx Ventures (Buffalo Canyon, Green Monster, Hays Canyon and Klondike North). Eldorado also executed a reverse circulation drill program on one of the projects, Klondike North, where drilling totalled 2,584 metres in 12 holes.

4.13 Material changes in Eldorado financial position since last accounts published

Acquisition of 19.8% of Sino Gold shares from GFA

On 3 June 2009, Eldorado acquired 57,968,029 Sino Gold shares, representing approximately 19.8% of Sino Gold's issued and outstanding shares. The terms of the agreement between Eldorado and GFA dated 3 June 2009 (and subsequently amended on 10 July 2009) include:

- Eldorado acquired 57,968,029 Sino Gold shares from GFA in exchange for the issue of 27,824,654 Eldorado shares (corresponding to an exchange ratio of 0.48) to GFA under a short form prospectus; and
- for a period of 18 months from 3 June 2009, GFA has a top-up right (the **Top Up Right**) that applies should Eldorado purchase an additional 5% or more of the outstanding shares of Sino Gold and the sellers receive consideration equivalent to a share consideration ratio in excess of the share exchange ratio received by GFA. This right will operate as a result of the Merger.

4 Profile of Eldorado

Proposed acquisition of 80.2% of Sino Gold shares through the Merger

Eldorado and Sino Gold announced the execution of the Scheme Implementation Deed. The consideration for the Merger is outlined in section 8.

4.14 Capital structure and ownership Issued securities

At the date of this booklet, Eldorado's issued securities consisted of:

- 400,165,675 Eldorado shares; and
- 10,008,922 Eldorado Options which collectively are capable of being converted into 10,008,922 Eldorado shares. Further details of Eldorado's share option plans are set out below.

In accordance with the Top Up Right referred to in section 4.13, Eldorado expects to issue 4,057,762 Eldorado shares to GFA if the Merger is implemented.

Share option plans

Eldorado has two incentive stock option plans: being (1) the Eldorado Employees, Consultants and Advisors Incentive Stock Option Plan (**Employee Plan**), as amended and restated as of 7 May 2009, and (2) the Eldorado Officers and Directors Incentive Stock Option Plan (**D&O Plan** and collectively with the Employee Plan, the **Eldorado Plans**), as amended and restated as of 7 May 2009. The Eldorado Plans have been approved by Eldorado's shareholders.

The Employee Plan provides for the issuance of options (**Eldorado Options**) to acquire Eldorado shares to any person who is a full or part-time employee or consultant or advisor of Eldorado or of its related entity or a director or officer of a related entity of Eldorado, as the Eldorado Board or the Eldorado compensation committee may from time to time determine (an **Employee Participant**) and the D&O Plan provides for the issuance of Eldorado Options to directors and officers of Eldorado, as the Eldorado Board determines from time to time (a **D&O Participant** and references to **Participant** herein mean an Employee Participant or a D&O Participant).

Eldorado Options give a Participant the right to buy a specified number of Eldorado shares at a fixed price within a specified option period, subject to the Participant's option agreement, which sets out the specific terms of each Eldorado Option, including exercise price, term and vesting provisions, as determined by the Eldorado Board at the time of the grant. The exercise price may not be less than the closing board lot price of the Eldorado shares on TSX on the last business day before the grant date. Eldorado Options have a maximum five-year term and typically vest in three tranches over two years. Eldorado Options vest immediately upon a change of control, as defined in the Eldorado Plans, and shall not be transferable or assignable by a Participant except on death or, with consent of the Eldorado Board, to a registered retirement holding entity.

The maximum aggregate number of Eldorado shares issuable pursuant to Eldorado Options granted under the Employee Plan and outstanding from time to time may not exceed 5% of the issued and outstanding Eldorado shares from time to time. In no event shall Eldorado Options be granted under the Employee Plan entitling any individual to purchase more than 0.5% of the then outstanding Eldorado shares.

The maximum aggregate number of Eldorado shares issuable pursuant to Eldorado Options granted under the D&O Plan and outstanding from time to time may not exceed 4% of the issued and outstanding Eldorado shares from time to time. The total number of Eldorado shares that may be reserved for issuance to any one Participant under the D&O Plan pursuant to Eldorado Options shall not exceed 1% of the Eldorado shares outstanding on a non-diluted basis on the grant date. The total number of Eldorado shares that may be reserved for issuance to all non-executive directors pursuant to Eldorado Options shall not exceed 0.75% of the Eldorado shares outstanding on a non-diluted basis on the grant date. Within any one financial year period, the total value of Eldorado Options granted to a non-executive director, as determined by the Eldorado Board on the grant date, shall not exceed C\$100,000. At the discretion of the Eldorado Board, non-executive directors may be granted up to 100,000 fully vested Eldorado Options upon initial election or appointment to the Eldorado Board.

Under both Eldorado Plans, Eldorado shares in respect of Eldorado Options which have expired or which were exercised, cancelled or otherwise terminated for any reason shall be available for subsequent grants of Eldorado Options and, in the case of exercised Eldorado Options, additional Eldorado shares shall be reserved for issuance pursuant to such Eldorado Options.

The maximum number of Eldorado shares issuable to insiders pursuant to Eldorado Options granted under the Eldorado Plans, and any other security-based compensation arrangements, shall not exceed 9% of the Eldorado shares issued and outstanding on a non-diluted basis at the grant date of the Eldorado Options and, within any one-year period, the maximum number of Eldorado shares issued to insiders pursuant to Eldorado Options granted under the Eldorado Plans, and any other security-based compensation arrangements, shall not exceed 9% of the Eldorado shares issued and outstanding on a non-diluted basis.

The Eldorado Board may suspend or terminate the Eldorado Plans at any time. The Eldorado Board may, subject to shareholder approval, amend the Eldorado Plans at any time, and may amend the terms of the Eldorado Plans without obtaining shareholder approval in certain limited circumstances. Subject to the terms of the Eldorado Plans, the Eldorado Board may also amend, modify or terminate outstanding Eldorado Options.

The grant and exercise of any Eldorado Options under the Eldorado Plans and any amendment to the Eldorado Plans is subject to compliance with the applicable requirements and receipt of any necessary approvals of TSX, NYSE and any other stock exchange, governmental authority or regulatory body having jurisdiction of Eldorado.

In the event of a subdivision, consolidation or reclassification of outstanding Eldorado shares or other capital adjustment, or an amalgamation, consolidation or other business combination or other change, the Eldorado Board may, subject to the terms of the Eldorado Plans, make such adjustments to outstanding Eldorado Options (including to the exercise price and number of shares issuable) as may be deemed necessary or equitable by the Eldorado Board in its sole discretion to properly reflect such event and such adjustment is binding for all purposes of the Eldorado Plans. In addition, in the event of a takeover bid or other business combination, the Eldorado Board may, subject to the terms of the Eldorado Plans, in a fair and equitable manner require, among other things, the acceleration of the time for exercise of the Eldorado Options.

If an option holder's employment, engagement or directorship terminates for any reason other than death or cause, such holder may exercise any Eldorado Option granted under the Eldorado Plans to the extent such option had vested and was exercisable on the date of termination no later than 30 days after such termination for Eldorado Options granted under the Employee Plan or 365 days after such termination for Eldorado Options granted under the D&O Plan. If an option holder's employment, engagement or directorship is terminated for cause, each outstanding Eldorado Option held by the option holder shall lapse and become null and void immediately upon such termination. An option holder's estate may, within 365 days from the date of the option holder's death, exercise any Eldorado Option granted under the Eldorado Plans to the extent such option had vested and was exercisable on the date of such option holder's death.

The Eldorado Board may in its sole discretion increase the periods permitted to exercise any Eldorado Option following a termination event described above, if allowed under applicable law. For greater certainty, in no event shall an Eldorado Option be exercisable after the expiration of its original option period and an Eldorado Option that has not vested on the relevant date in respect of the termination events described above, shall not become exercisable and shall be cancelled.

Substantial shareholders

At the date of this booklet, so far as known to Eldorado, the following persons were beneficial owners of 5% or more of the Eldorado shares:

Substantial shareholder	Number of Eldorado shares	Voting power (%)
Fidelity Management & Research	51,861,335	12.95
BlackRock Investment Management (UK) Ltd and Blackrock Financial Management, Inc.	32,517,188	8.12
Van Eck Associates Corporation	24,137,420	6.03

4 Profile of Eldorado

4.15 Recent Eldorado share price performance

Eldorado shares are listed and posted for trading on TSX under the symbol 'ELD' and on NYSE under the symbol 'EGO'. Eldorado shares were listed on TSX on 23 October 1993 and on NYSE Amex on 23 January 2003. On 22 October 2009, Eldorado shares were listed on NYSE and ceased to trade on NYSE Amex.

The latest recorded sale price of Eldorado shares on TSX on 23 October 2009 was C\$12.53, giving Eldorado an implied market capitalisation on that date of A\$5.2 billion¹ (this does not include any Eldorado shares or Eldorado CDIs to be issued pursuant to the Schemes).

During the four months ended 23 October 2009:

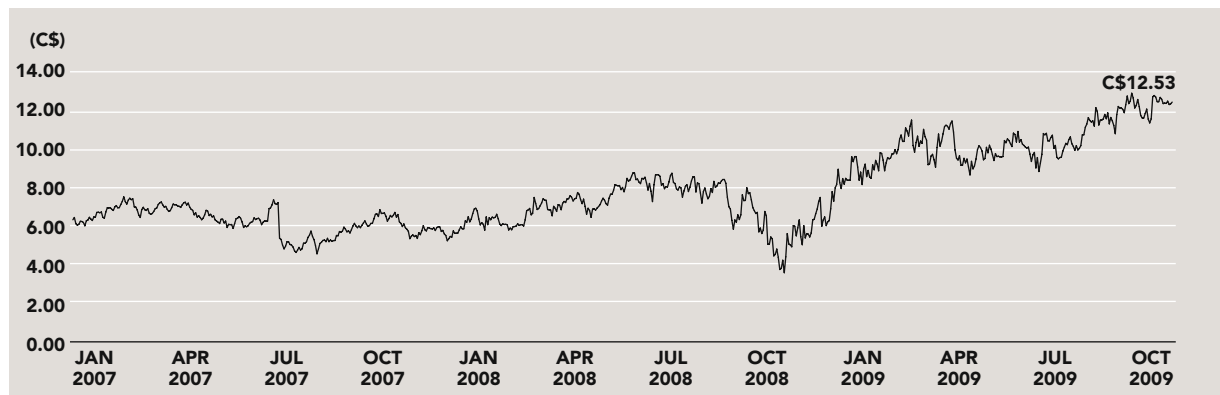
- the highest recorded daily closing price for Eldorado shares on TSX was C\$13.00 on 16 September 2009; and
- the lowest recorded daily closing price for Eldorado shares on TSX was C\$9.53 on 9 July 2009.

The latest recorded sale price of Eldorado shares on TSX on 25 August 2009, the last day of trading in Eldorado shares prior to the Merger Announcement Date, was C\$11.96.

The VWAP for Eldorado shares on TSX for the 30 trading days prior to the Merger Announcement Date was C\$11.11.

The following chart shows the daily closing price of Eldorado shares on TSX in the period from 1 January 2007 to 23 October 2009.

ELDORADO SHARE PRICE (FROM 1 JANUARY 2007 TO 23 OCTOBER 2009)



Source: Bloomberg (see section 12.6). Note: based on TSX closing price for Eldorado shares.

4.16 Eldorado dividend history and dividend policy

Eldorado has not paid dividends on Eldorado shares since incorporation, nor does Eldorado currently intend to pay dividends. Eldorado anticipates using Eldorado's cash resources to undertake exploration, development and expansion programs in relation to its mineral properties and to acquire additional mineral resource properties.

4.17 Hedging position and policy

Eldorado monitors and considers the use of a variety of hedging techniques to mitigate the impact of downturns in the gold market and provide adequate cash flow for operations. In 2008, Eldorado sold its gold production to bullion dealers on a spot market basis. As of the date of this booklet, Eldorado does not have any gold or currency hedges in place.

Eldorado's future hedging activities will depend on an ongoing assessment of the gold market, its hedging strategy, financing restrictions and other factors.

Note:

1 Based on A\$:C\$ exchange rate of 0.9720 on 23 October 2009 and 400,165,675 Eldorado shares on issue at the date of this booklet.

4.18 Interests of Eldorado directors

Interests in Eldorado shares and Eldorado options

At the date of this booklet, Eldorado directors had the following beneficial interests in Eldorado securities:

Director	Class of security	Number
Hugh C. Morris	Eldorado shares	80,000
	Eldorado options	100,000 with an exercise price of \$7.12 per option and an expiry date of 21 March 2012 (vested). 100,000 with an exercise price of \$6.44 per option and an expiry date of 30 January 2013 (66,666 vested). 20,000 with an exercise price of \$9.81 per option and an expiry date of 12 May 2014 (6,666 vested).
John S. Auston	Eldorado shares	8,000
	Eldorado options	100,000 with an exercise price of \$7.12 per option and an expiry date of 21 March 2012 (vested). 100,000 with an exercise price of \$6.44 per option and an expiry date of 30 January 2013 (66,666 vested). 20,000 with an exercise price of \$9.81 per option and an expiry date of 12 May 2014 (6,666 vested).
K. Ross Cory	Eldorado shares	170,000
	Eldorado options	100,000 with an exercise price of \$7.12 per option and an expiry date of 21 March 2012 (vested). 100,000 with an exercise price of \$6.44 per option and an expiry date of 30 January 2013 (66,666 vested). 20,000 with an exercise price of \$9.81 per option and an expiry date of 12 May 2014 (6,666 vested).
Robert R. Gilmore	Eldorado shares	9,500
	Eldorado options	34,000 with an exercise price of \$7.12 per option and an expiry date of 21 March 2012 (vested). 34,000 with an exercise price of \$6.44 per option and an expiry date of 30 January 2013 (666 vested). 20,000 with an exercise price of \$9.81 per option and an expiry date of 12 May 2014 (6,666 vested).
Geoffrey Handley	Eldorado shares	10,000
	Eldorado options	100,000 with an exercise price of \$7.12 per option and an expiry date of 21 March 2012 (vested). 100,000 with an exercise price of \$6.44 per option and an expiry date of 30 January 2013 (66,666 vested). 20,000 with an exercise price of \$9.81 per option and an expiry date of 12 May 2014 (6,666 vested).

4 Profile of Eldorado

Director	Class of security	Number
Wayne D. Lenton	Eldorado shares	49,100
	Eldorado options	100,000 with an exercise price of \$7.12 per option and an expiry date of 21 March 2012 (vested). 100,000 with an exercise price of \$6.44 per option and an expiry date of 30 January 2013 (66,666 vested). 20,000 with an exercise price of \$9.81 per option and an expiry date of 12 May 2014 (6,666 vested).
Jonathan A. Rubenstein	Eldorado shares	Nil
	Eldorado options	100,000 with an exercise price of \$9.81 per option and an expiry date of 12 May 2014 (vested).
Donald Shumka	Eldorado shares	50,000
	Eldorado options	100,000 with an exercise price of \$7.12 per option and an expiry date of 21 March 2012 (vested). 100,000 with an exercise price of \$6.44 per option and an expiry date of 30 January 2013 (66,666 vested). 20,000 with an exercise price of \$9.81 per option and an expiry date of 12 May 2014 (6,666 vested).
Paul N. Wright	Eldorado shares	125,000
	Eldorado options	500,000 with an exercise price \$7.12 per option and an expiry date of 21 March 2012 (vested). 140,000 with an exercise price of \$6.44 per option and an expiry date of 30 January 2013 (nil vested). 800,000 with an exercise price of \$4.88 per option and an expiry date of 3 November 2013 (nil vested).

Interests in Sino Gold securities

At the date of this booklet, no Eldorado director had any relevant interests in any Sino Gold securities.

Interests of Eldorado directors in any material contracts entered into by Eldorado

At the date of this booklet, no Eldorado director had any material interest, either direct or indirect, in any material contracts entered into by Eldorado within Eldorado's three most recent completed financial years or during its current financial year.

4.19 Relevant interests in Sino Gold securities

At the date of this booklet, Eldorado had a relevant interest in:

- 57,968,029 Sino Gold shares, giving Eldorado voting power of approximately 19.8% in Sino Gold;¹ and
- nil Sino Gold options.

Eldorado acquired the 57,968,029 Sino Gold shares pursuant to a share purchase agreement dated 3 June 2009, as amended 10 July 2009, between Eldorado and GFA. This agreement is described in further detail in section 4.13.

Note:

1 Based on there being 292,578,478 Sino Gold shares on issue at the date of this booklet.

4.20 List of announcements since Eldorado's last accounts published

Date	Announcement
20 October 2009	News Release – Eldorado Gold Lists on the New York Stock Exchange
14 September 2009	News Release – Eldorado And Sino Gold Satisfaction Of Due Diligence Conditions
11 September 2009	News Release – Kışladağ Drilling Extends Ore Grade Gold Mineralization at Depth
4 September 2009	Material Change Report – Scheme implementation deed entered into with Sino Gold
26 August 2009	News Release – Eldorado and Sino Gold Announce Business Combination
13 August 2009	News Release – New Gold Zone Identified at Tanjianshan
6 August 2009	Material Change Report – Financial and operational results for the second quarter ended June 30, 2009
5 August 2009	News Release – Eldorado Consolidates Ownership of Vila Nova Iron Ore Project
31 July 2009	News Release – Q2, 2009 Financial and Operating Results – 2009 Production and Cost Guidance Remains Intact – Earnings \$0.07 per share Unaudited consolidated financial statements as at and for the three months ended June 30, 2009 and the notes thereto together with the management's discussion and analysis for such financial statements
28 July 2009	News Release – Eldorado Closes Acquisition Of Stake In Sino Gold Material Change Report – Eldorado Closes Acquisition Of Stake In Sino Gold
21 July 2009	News Release – Eldorado Files Final Short Form Prospectus to Qualify Shares Issued in Consideration of the Acquisition of Gold Fields' Stake in Sino Gold
16 July 2009	News Release – Eldorado Disposes Of Non-Core Asset
14 July 2009	News Release – Eldorado Amends Agreement to Acquire Gold Fields' Stake in Sino Gold
11 June 2009	Material Change Report – Acquisition of Sino Gold shares from Gold Fields Australasia (BVI) Limited
3 June 2009	News Release – Eldorado Acquires Gold Fields' Stake in Sino Gold
11 May 2009	Material Change Report – Financial and operational results for the first quarter ended March 31, 2009
8 May 2009	News Release – Q1 2009 Financial and Operating Results Unaudited consolidated financial statements as at and for the three months ended March 31, 2009 and the notes thereto together with the management's discussion and analysis for such financial statements
6 May 2009	News Release – Eldorado Gold Announces the Deepest Intercept Drilled in the North Ore Shoot, Efemçukuru – 2.6 m at 51.9g/t Au
27 April 2009	News Release – Kışladağ Optimisation Study Results
16 April 2009	News Release – Perama Hill Project Update
9 April 2009	Annual Report Management Information Circular Management Proxy

4 Profile of Eldorado

Date	Announcement
31 March 2009	Annual Information Form
27 March 2009	News Release – Eldorado Gold 2009 Exploration Program
19 March 2009	Audited consolidated financial statements, the notes thereto and the auditor's report thereon as at and for the fiscal year ended December 31, 2008 together with the management's discussion and analysis for such statements
4 March 2009	Material Change Report – Withdrawal of a preliminary prospectus
24 February 2009	News Release – Eldorado Gold Withdraws Public Offering of Common Shares
23 February 2009	News Release – Eldorado Gold Announces Public Offering of Common Shares
20 February 2009	Amended Material Change Report – 2008 fourth quarter earnings release and mineral resources and mineral reserves updates
18 February 2009	News Release – Q4 2008 Financial and Operating Results Revenue increased 159%; Earnings \$0.28 per share Material Change Report – 2008 fourth quarter earnings release and mineral resources and mineral reserves updates
3 February 2009	Material Change Report – Positive High Court decision regarding the Environmental Impact Assessment Certificate for the Efemçukuru development project
30 January 2009	News Release – Efemçukuru Receives Positive High Court Decision
26 January 2009	Material Change Report – Update on 2008 operating results and anticipated 2009 production
22 January 2009	News Release – 2008 Year End Update and 2009 Guidance Record Performance in 2008, Further Growth in 2009
6 January 2009	News Release – Efemçukuru North Ore Shoot Drilling Continues to Grow Deposit

4.21 Further information available for inspection

Eldorado is a reporting issuer for the purposes of the applicable provincial securities laws of Canada and as such is subject to regular reporting and disclosure obligations. Specifically, Eldorado is subject to National Instrument 51-102 'Continuous Disclosure Obligations' which requires certain disclosure documents to be provided on a continuous basis (e.g. financial statements, MD&A, Annual Information Forms) and timely disclosure regarding material changes where such change is one that would reasonably be expected to have a significant effect on the price or value of its securities.

On request to Eldorado and free of charge, Sino Gold securityholders may obtain a copy of:

- the annual report of Eldorado for the year ended 31 December 2008 (being the annual report most recently filed on SEDAR the date of this booklet);
- the most recent interim financial statements of Eldorado for the period ended 30 June 2009, filed on SEDAR by Eldorado after the filing of the annual report referred to above and before the date of this booklet;
- any continuous disclosure document filed on SEDAR by Eldorado since the filing of the 2008 annual report on SEDAR referred to above and before the date of this booklet; and
- Eldorado's restated articles of incorporation and by-laws.

A substantial amount of information about Eldorado (including copies of each of the above-mentioned documents) is available in electronic form from: www.eldoradogold.com. Information on Eldorado's website does not constitute a part of this booklet and should not be considered in deciding how to vote on a Scheme.

All announcements made by Eldorado and filed on SEDAR are available at www.sedar.com.

Profile of the Combined Group

5

5 Profile of the Combined Group

5.1 Overview of post-acquisition Eldorado Overview of the Combined Group

The Combined Group will be one of the premier intermediate global gold producers and the leading international gold producer in China and Turkey with:

- a market capitalisation of approximately US\$5.9 billion¹ (A\$7.1 billion²);
- gold production of the Combined Group is targeted to grow from approximately 535,000 to 550,000 ounces from four mines for the year ended 31 December 2009 to a target of 850,000 ounces from six mines for the year ended 31 December 2011;^{3,4}
- unhedged proven and probable reserves of 12.7 million ounces from 18.8 million ounces of measured and indicated resources, and 5.3 million ounces of additional inferred resources;⁵
- a portfolio of operating, development and exploration projects across China, Turkey, Greece and Brazil;
- experienced operating and development teams with a track record of delivering value, combined with strong local in-country management; and
- a strong balance sheet and cash flow position.

Ownership of the Combined Group

Following implementation of the Schemes, the current Sino Gold shareholders (excluding Eldorado) and Sino Gold optionholders will collectively own approximately 25% of the Eldorado shares then issued and outstanding.¹

Board and management of the Combined Group

Following implementation of the Schemes, the Combined Group Board is expected to consist of 11 directors.

Each of the existing nine Eldorado directors will continue as directors of Eldorado following implementation of the Scheme. Profiles for each of the existing Eldorado directors are set out in section 4.8.

Eldorado has invited two directors of Sino Gold to join the Combined Group Board, being the current Chairman of Sino Gold, James Askew, and a current non-executive director, Peter Cassidy.

Eldorado directors are subject to nomination and re-election each year at Eldorado's annual meeting. Accordingly, the two Sino Gold directors who will be appointed to the Eldorado Board will also be subject to nomination and re-election at Eldorado's next annual meeting, expected to be held in the second quarter of calendar 2010.

Notes:

- 1 Based on the TSX closing price of Eldorado shares on 25 August 2009 of C\$11.96 and a C\$:US\$ exchange rate of 0.9204. Assumes 539,856,375 Eldorado shares on issue immediately following implementation of the Schemes based on 400,165,675 shares on issue at the date of this booklet and an assumption that 135,632,938 shares are to be issued under the Schemes and 4,057,762 shares are to be issued to GFA under its Top-Up Right described in section 4.14. The actual number of Eldorado shares to be issued under the Schemes may vary due to the elimination of fractional share entitlements and whether Sino Gold options are exercised or cancelled.
- 2 Based on an A\$:US\$ exchange rate 0.8358 on 25 August 2009 (the day immediately prior to the Merger Announcement Date).
- 3 Figures shown on a 100% consolidated basis with no adjustment made for minority interests. These figures are based on the existing gold production forecasts and targets of Eldorado and Sino Gold. Sino Gold's 2009 forecast gold production is approximately 210,000 ounces at a cash operating cost of less than US\$400 per ounce. Eldorado's 2009 forecast gold production is approximately 325,000 to 340,000 ounces in 2009 at a cash operating cost of approximately US\$300 per ounce. Production is expected to increase at Kışladağ by approximately 40,000 to 50,000 ounces from the 2008 total of 190,334 ounces as a result of operating Kışladağ for a full year. On the other hand, production at Tanjianshan is expected to decrease by approximately 20,000 ounces from the 2008 total of 118,468 ounces due to an expected decrease in the first quarter of 2009 production resulting from the commissioning of the sulphide ore processing facility. Assumptions used to forecast Eldorado total cash costs for 2009 include: exchange rates of C\$1.10 = US\$1.00, Turkish Lira 1.45 = US\$1.00, and RMB6.50 = US\$1.00; and diesel fuel = US\$1.52 per litre (Kışladağ only). The Eldorado capital expenditures, as at 31 December 2008, for 2009 are forecast at US\$117.1 million, including US\$84.8 million at Efemçukuru, US\$11.1 million at Tanjianshan, US\$10.0 million at Kışladağ, US\$10.6 million at Vila Nova and US\$0.6 million in other. Eldorado exploration expenditures in 2009 are expected to amount to US\$18.4 million, of which \$12.4 million will be expensed, with efforts focused on Tocantinzinho, Tanjianshan and general exploration in Turkey. General and administrative expense is forecast at US\$31.6 million for the year. Depreciation and depletion expense is expected to be US\$34.0 million, and Eldorado anticipates an overall effective tax rate of 30%.
- 4 Sino Gold securityholders should note that forward looking statements involve known and unknown risks, uncertainties, assumptions and other important factors that could cause the actual results, performances or achievements of Sino Gold, Eldorado or the Combined Group to be materially different from future results, performance or achievements expressed or implied by such statements. Sino Gold securityholders should read the information under the headings 'Forward looking statements and information' and 'Estimates, targets and forecasts' located in the 'Important information' section at the front of this booklet. Such assumptions include recommencement of production at White Mountain on or before 30 October 2009 (Sino Gold's 2009 production is expected to be reduced from its forecast by approximately 6,000 gold ounces if production at White Mountain remains suspended in November 2009 and a similar amount if production remains suspended in December 2009), the operation of Kışladağ, Tanjianshan and Jinfeng for the full period noted, Eastern Dragon and Efemçukuru attaining production as targeted and Eldorado's cash cost estimate of US\$300 and Sino Gold's of US\$400. It should also be noted that the necessary development of projects and the actual dates of commencement of production are subject to a range of risks (see, in particular, sections 2, 5 and 6).
- 5 See section 5.4 for further information (including assumptions) relating to these figures.

Paul N. Wright will continue as the Chief Executive Officer of the Combined Group. Jacob Klein, the current President and Chief Executive Officer of Sino Gold, will provide consultancy services to Eldorado following the conclusion of the transaction.

Corporate governance of the Combined Group

The corporate governance regime which exists in Canada is a combination of certain mandatory rules on disclosure and compliance as well as guidelines and recommendations as to best practices. As a 'reporting issuer' (or the equivalent) in all of the provinces of Canada, Eldorado is required to disclose its corporate governance practices in a prescribed manner and is expected to comply with corporate governance guidelines to the fullest extent possible. These guidelines include recommendations or requirements with regards to the following:

- **Board of Directors:** regarding independent directors, adoption of a Board mandate acknowledging responsibility for the stewardship of Eldorado, development of clear positions on the Board, orientation and continued education of new directors, adoption of a code of business conduct and ethics, adoption of a process for director nominations, creation of the Audit Committee, the Compensation Committee and the Corporate Governance and Nominating Committee, and assessment of the Board on a regular basis; and
- **Audit Committee:** regarding its charter, its composition, relevant education and experience, disclosure of exemptions where they have been relied upon, disclosure of Board not adhering to recommendations of the committee, description of pre-approval of policies and procedures, and disclosure of external auditor service fees.

Eldorado's corporate governance disclosure and filings are available on SEDAR at www.sedar.com. In particular, Eldorado provides annual disclosure with respect to its corporate governance practices in its management proxy circular prepared in connection with its annual meeting each year. Reports of Eldorado's Corporate Governance and Nominating Committee, Compensation Committee and Audit Committee are included in the same document. The mandate of the Eldorado Board and the terms of reference for Eldorado's Corporate Governance and Nominating Committee, Compensation Committee and Audit Committee, as well as Eldorado's Code of Business Conduct, are available on Eldorado's website at www.eldoradogold.com.

Following the Implementation Date, Eldorado intends that the Combined Group will continue to comply with all mandatory corporate governance rules in Canada and endeavour to follow best practices in Canada.

Also see section 11 for a comparison of some of the material provisions of Australian company law and Canadian company law.

Indebtedness of the Combined Group

Sino Gold currently has a number of financing facilities, which are classified as long-term debt on its financial statements and will become indebtedness of the Combined Group. These facilities permit the lender to call the debt in the event of a change in control. At the present time Sino Gold has verbal assurances from the lender, China Construction Bank, that these debts will not be called on the implementation of the Scheme. Eldorado does not have this assurance in writing and accordingly, based on Canadian GAAP standards, on the balance sheet included in the Combined Group Pro Forma Historical Financial Information the amounts owed on these facilities are reclassified from long-term to current debt. Eldorado has started discussions with its corporate bankers to secure a new credit facility to replace the existing facilities should the lender call the debt. This new credit facility is targeted to be in place at the time of the implementation of the Scheme. If the lender does call the debt and the new facility is not then in place, it is Eldorado's intention to repay the debt from its cash reserves.

5.2 Intentions

Introduction

Eldorado Pacific has been established for the purpose of acquiring the Sino Gold shares that Eldorado does not already hold by way of the Share Scheme. Accordingly, the intentions of Eldorado Pacific are the same as the intentions of Eldorado, and in this section a reference to Eldorado includes Eldorado Pacific.

The current intentions of Eldorado in relation to Sino Gold are set out in this section. These intentions have been formed on the basis of facts and information concerning Sino Gold, and the general business environment, which are known to Eldorado at the time of preparing this booklet. Final decisions will only be reached by Eldorado and its directors in light of material information and circumstances known at the relevant time. Accordingly, the statements set out in this section are statements of current intention only and may vary as new information becomes available or circumstances change.

The articulation and formulation of the intentions are necessarily limited by virtue of the fact that Eldorado has only had access to publicly available information and certain non-public information about Sino Gold and its affairs.

5 Profile of the Combined Group

Intentions for Sino Gold as part of the Combined Group

Eldorado's current intentions are as follows.

Corporate matters

Once the Scheme becomes Effective, Eldorado intends:

- to arrange for Sino Gold to be removed from the official list of ASX and to be delisted from HKSE;
- to appoint two directors, James Askew and Peter Cassidy, from the Sino Gold Board, if they agree, to serve on the Combined Group Board (see section 12.2 for further details);
- that, on or before the Implementation Date, the existing Sino Gold directors will resign, to be replaced by Eldorado nominees;
- to replace the existing President and Chief Executive Officer of Sino Gold with Paul N. Wright, who is currently the President and Chief Executive Officer of Eldorado;
- that the existing President and Chief Executive Officer of Sino Gold, Jacob Klein, will provide consultancy services to Eldorado after implementation of the Schemes for a period of six months after the Implementation Date;
- to retain a regional office in Sydney; and
- to conduct a detailed operational review of Sino Gold's structure and operations on both a strategic and a financial level in order to evaluate Sino Gold's performance, profitability and prospects, and to identify opportunities for revenue enhancement and operating synergies.

Eldorado's intentions in the event that the Option Scheme does not become Effective, but the Share Scheme becomes Effective, are set out in section 7.8.

Operational review

In the course of this operational review, it is intended that there will be a focus on a number of key specific areas, including (but not limited to):

- (a) review of current and proposed exploration properties, including a review of all available technical and financial data, so that ongoing and future exploration programs can be optimised;
- (b) at White Mountain and Jinfeng, review of all of the technical and financial data in detail, including the mineral resources and reserves and the methodology behind the calculations and the subsequent reconciliations, the metallurgical testwork used for process design and the actual operating data from the plants. Eldorado will also examine the mine plans, both short- and long-term, and all of the assumptions that were used in creating these plans. Personnel levels,

both nationals and expatriates, will be examined to ensure proper staffing of the operations is maintained; and

- (c) at Eastern Dragon, in addition to the technical reviews mentioned for White Mountain and Jinfeng, a complete review of the feasibility study, focusing on the capital and operating costs of the construction project.

Subject to this detailed review, Eldorado currently expects that it will continue:

- to operate Sino Gold's existing operations;
- to proceed with Sino Gold's existing planned exploration and development projects, including Sino Gold's Eastern Dragon gold-silver deposit and the other projects referred to in section 3; and
- to continue to conduct the current core business of the separate entities, namely the exploration, development and operations of gold production.

Employees

As a result of the implementation of the above intentions, it is possible that certain operational functions, for example, those relating to the maintenance of Sino Gold's admission to ASX and listing on HKSE, will become redundant. Some job losses may occur as a result; however, the incidence, extent and timing of such job losses cannot be predicted in advance.

Where possible, Eldorado will seek to minimise job losses through redeployment of the relevant employees elsewhere in the Combined Group.

If redundancies do occur, the relevant employees will receive benefits in accordance with their contractual and other legal entitlements.

Dividends

As noted in section 4.16, Eldorado does not presently pay dividends. Eldorado does not presently intend to change that policy once the Merger is completed.

Intentions generally

Except for the possible changes and current intentions set out in this section and elsewhere in this booklet, it is the intention of Eldorado, based on the facts and information concerning Sino Gold that are known to it as at the date of this booklet:

- to conduct the business of Sino Gold in substantially the same manner as at the date of this booklet;
- not to make any major changes to the deployment of Sino Gold's assets; and
- to continue the employment of the employees of Sino Gold, as appropriate.

5.3 Pro forma historical financial information Introduction

This section 5.3 contains the following pro forma historical financial information for the Combined Group (**the Combined Group Pro Forma Historical Financial Information**):

- unaudited pro forma balance sheet of Eldorado as at 30 June 2009 (Table A), illustrating the effect on Eldorado's consolidated financial position of its acquisition of 19.8% of Sino Gold (that occurred on 27 July 2009) and the remaining 80.2% under the Schemes as if both transactions had completed on 30 June 2009 (the **Combined Group Pro Forma Balance Sheet**); and
- unaudited pro forma income statements of Eldorado for the year ended 31 December 2008 (Table C) and for the six months ended 30 June 2009 (Table B), illustrating the effect on Eldorado's financial performance of the acquisitions of the 19.8% interest and the remaining 80.2% interest under the Schemes as if both transactions had completed by 1 January 2008 (the **Combined Group Pro Forma Income Statements**).

For the purposes of this section, the 'statement of operations and deficits' has been referred to as the 'income statement' to assist with Sino Gold shareholders' familiarity (Eldorado's future statutory reporting under Canadian GAAP will refer to this statement as the 'statement of operations and deficits').

The Combined Group Pro Forma Historical Financial Information has been prepared by Eldorado in accordance with Canadian GAAP and presented in A\$.

The Combined Group Pro Forma Historical Financial Information is presented in an abbreviated form insofar as it does not include all the disclosures required by Canadian GAAP applicable to annual financial statements prepared by reporting issuers in Canada, or by Australian Accounting Standards applicable to annual financial reports prepared in accordance with the Corporations Act.

The Combined Group Pro Forma Historical Financial Information should be read in conjunction with the rest of this booklet, the consolidated financial statements and related notes of Eldorado and Sino Gold identified above, and other information that Eldorado has filed with Canadian Provincial Securities Regulators and TSX through SEDAR and with the SEC and NYSE, and that Sino Gold has filed with ASIC and ASX, respectively.

KPMG Transaction Services has prepared the Investigating Accountant's Report in relation to the Combined Group Pro Forma Historical Financial Information. A copy of the report is included in annexure B.

The Combined Group Pro Forma Historical Financial Information is not intended to reflect the financial performance or the financial position that would have actually resulted had the Schemes been completed on the dates indicated, or the results that may be obtained in the future. If the transaction had occurred in the past, the Combined Group's financial position and financial performance would likely have been different from that presented in the Combined Group Pro Forma Historical Financial Information. Due to the nature of pro forma information, it may not give a true picture of the Combined Group's financial position and financial performance. The Combined Group Pro Forma Historical Financial Information is not represented as being indicative of Eldorado's views on its future financial position or future financial performance.

Basis of preparation of the Combined Group Pro Forma Historical Financial Information

The Combined Group Pro Forma Historical Financial Information has been prepared based on the following information:

- unaudited interim consolidated financial statements of Eldorado as at, and for the six months ended, 30 June 2009 (these financial statements were subject to a review in accordance with Canadian generally accepted auditing standards CICA HB 7150 applicable to a review of interim financial statements by the independent auditor of Eldorado);
- audited consolidated financial statements of Eldorado as at, and for the year ended, 31 December 2008;
- unaudited interim consolidated financial statements of Sino Gold as at, and for the six months ended, 30 June 2009 (these financial statements were subject to a review in accordance with Australian Auditing Standard on Review Engagements ASRE 2410 *Review of Interim and Other Financial Reports Performed by the Independent Auditor of the Entity*);
- audited consolidated financial statements of Sino Gold as at, and for the year ended, 31 December 2008;
- underlying Sino Gold functional currency financial information as the source data for the above Sino Gold financial statements; and
- such other supplementary information as was considered necessary to reflect the pro forma adjustments (detailed below).

5 Profile of the Combined Group

Certain elements of the Sino Gold financial statements have been reclassified to conform to the financial statement presentation used by Eldorado. Items reclassified on the Sino Gold financial statements are disclosed in the notes to the unaudited Combined Group Pro Forma Historical Financial Information.

The Combined Group Pro Forma Historical Financial Information has been prepared for illustrative purposes only, to show the impact of the following categories of pro forma adjustments (the **Pro Forma Adjustments**):

- presentation of Sino Gold's financial information in US\$;
- conversion of Sino Gold's financial information to align it with Eldorado's Canadian GAAP accounting policies (the **Accounting Policy Adjustments**); and
- acquisition accounting adjustments, and the reclassification of Sino Gold debt balances, as a result of the acquisition of 19.8% of Sino Gold's shares that occurred on 27 July 2009 and the remaining 80.2% under the Schemes (the **Acquisition Adjustments**).

The Acquisition Adjustments have been made in respect of the Combined Group Pro Forma Balance Sheet only. No Acquisition Adjustments have been made in respect to the Combined Group Pro Forma Income Statements, and as a result these statements do not reflect the impact of the purchase price allocation adjustments pursuant to completion of the Schemes. Accordingly, the depreciation, amortisation and income tax line items in the Combined Group Pro Forma Income Statements equate to the aggregate of the historical results for Eldorado and Sino Gold respectively, and are not representative of these expenses as if the Schemes had completed by 1 January 2008. The net income (and EPS) achieved in future periods may therefore be negatively impacted by these line items subsequent to completion of the Scheme.

The Combined Group Pro Forma Historical Financial Information has been presented in US\$, in accordance with Eldorado's presentation currency. For information purposes only, this financial information has also been presented in A\$ (based on the methodology detailed later in this section).

Subject to the basis of preparation outlined in this section, it is Eldorado's opinion that the Combined Group Pro Forma Historical Financial Information presents, in all material respects, the impact of the Schemes, in accordance with Canadian GAAP. The significant accounting policies used in the preparation of the Combined Group Pro Forma Historical Financial

Information are consistent with Eldorado's accounting policies for the year ended 31 December 2008, except for the changes in accounting policies outlined in the unaudited interim consolidated financial statements of Eldorado as at and for the six months ended 30 June 2009. These changes in accounting policies had no material impact on the 30 June 2009 unaudited interim consolidated financial statements of Eldorado.

Functional and presentation currency of Sino Gold's financial information

The functional currency of both Sino Gold Mining Limited (the parent) and its Australian subsidiaries is US\$, while the functional currency of its overseas subsidiaries is RMB. However, the presentation currency of Sino Gold Mining Limited (the Group) is A\$.

The RMB to US\$ exchange rate used to convert Sino Gold's overseas subsidiaries' balance sheet information as at 30 June 2009 was 6.8329. The average RMB to US\$ exchange rates used to convert financial performance information for the year ended 31 December 2008 and for the six month period ended 30 June 2009 were 6.9560 and 6.8322 respectively. The exchange differences arising on the translation were taken directly to a foreign currency translation reserve, included within shareholders' equity.

Sino Gold's US\$ functional currency financial information (refer second column in the Combined Group Pro Forma Balanced Sheet and the Combined Group Pro Forma Income Statements) is comprised of:

- Sino Gold Mining Limited (the parent) in US\$;
- Australian subsidiaries in US\$; and
- overseas subsidiaries translated from RMB to US\$.

The US\$ functional currency financial information is the source data for Sino Gold's unaudited interim consolidated financial statements as at, and for the six months ended, 30 June 2009, and the audited consolidated financial statements as at, and for the year ended, 31 December 2008 (reflected in the first column in the Combined Group Pro Forma Balanced Sheet and the Combined Group Pro Forma Income Statements).

Exchange rates used by Sino Gold for the translation of the US\$ functional currency financial information to the A\$ statutory financial statements were:

- 1.2324 (year end rate) for assets and liabilities as at 30 June 2009;
- 1.4047 (average rate) for net income for the six months ended 30 June 2009; and
- 1.1730 (average rate) for the net loss for the year ended 31 December 2008.

The information relating to Sino Gold included in the Combined Group Pro Forma Historical Financial Information was derived from publicly available documents in conjunction with other supplementary information provided by Sino Gold.

Conversion of Sino Gold's financial information to align with Eldorado's Canadian GAAP accounting policies

Under Canadian GAAP, the identified acquirer is required to account for a business combination and present consolidated financial statements. The identified acquirer in relation to the Schemes is Eldorado and, as such, consolidated financial information for the Combined Group will be presented by Eldorado in accordance with its Canadian GAAP accounting policies for future statutory financial reporting purposes. The Combined Group Pro Forma Historical Financial Information has therefore been presented in accordance with Eldorado's Canadian GAAP accounting policies as if the transaction had completed on 1 January 2008 or 30 June 2009 (for the income statements and balance sheet respectively), as this provides Sino Gold securityholders information on a basis consistent with the Combined Group's future reporting framework and accounting policies.

Sino Gold's historical information was prepared in accordance with Australian Accounting Standards (A-IFRS), which differs in certain material respects from Eldorado's Canadian GAAP accounting policies. In preparing the Combined Group Pro Forma Historical Financial Information, a review was undertaken to identify Eldorado and Sino Gold accounting policy differences where the impact was potentially material and could be reasonably estimated. The differences identified as they relate to Sino Gold have been quantified and included in the Combined Group Pro Forma Historical Financial Information. These differences are included in the column 'Accounting Policy Adjustments' in the Combined Group Pro Forma Historical Financial Information and are described in more detail below. Further accounting policy differences may be identified after the implementation of the Scheme.

Eldorado is required to transition to IFRS commencing with its quarter ending 31 March 2011 in accordance with announcements from the Canadian Accounting Standards Board. The potential impact of Eldorado's transition to IFRS on the Combined Group Pro Forma Historical Financial Information is detailed further below and should be read in conjunction with the Combined Group Pro Forma Historical Financial Information.

Acquisition Adjustments – 19.8% acquisition of Sino Gold and remaining 80.2% under the Scheme

Eldorado's acquisition of its 19.8% shareholding in Sino Gold on 27 July 2009 was previously accounted for as an acquisition of marketable securities which was classified as available-for-sale financial instruments.

For the purposes of the Pro Forma Adjustments, the purchase method of accounting has been used to account for the remaining 80.2% under the Schemes and the 19.8% shareholding which has been valued at cost. Accordingly, the excess of the purchase price over the estimated fair value of the net assets acquired has been allocated to goodwill.

The Combined Group Pro Forma Historical Financial Information does not include anticipated financial benefits from such items as revenue synergies or cost savings arising from the Schemes, nor does the Combined Group Pro Forma Historical Financial Information include the portion of the restructuring and integration costs to be incurred by Eldorado.

In respect of the Combined Group Pro Forma Balance Sheet, the purchase price allocation is based upon Eldorado's preliminary estimates of the fair values of assets acquired and liabilities assumed. The amounts may differ significantly based upon an independent valuation.

In respect of the Combined Group Pro Forma Income Statements, no Acquisition Adjustments have been made (refer above).

Translation of the Combined Group Pro Forma Historical Financial Information from US\$ to A\$

The Combined Group Pro Forma Historical Financial Information has been translated from US\$ to A\$ solely for the purpose of providing Sino Gold securityholders with A\$ based historical financial information of the Combined Group.

This currency translation methodology adopted is based on the following:

- a spot rate of 1.2324 for the unaudited Combined Group Pro Forma Balance Sheet; and
- average rates of 1.4047 and 1.1730 for the six months ended 30 June 2009 and the year ended 31 December 2008 respectively.

5 Profile of the Combined Group

TABLE A – UNAUDITED COMBINED GROUP PRO FORMA BALANCE SHEET AS AT 30 JUNE 2009

	Sino Gold		Accounting Policy Adjustments (US\$ million)	Sino Gold C-GAAP (US\$ million)	Eldorado C-GAAP (US\$ million)	Acquisition Adjustments (US\$ million)	Note ref.	Combined Group	
	A-IFRS (A\$ million)	A-IFRS (US\$ million)						Pro forma (US\$ million)	Pro forma (A\$ million)
ASSETS									
Current Assets									
Cash and cash equivalents	122.5	99.4	–	99.4	135.7	(30.0)	14	205.1	252.8
Restricted cash	61.6	50.0	–	50.0	5.5	–		55.5	68.4
Marketable securities	–	–	–	–	14.2	–		14.2	17.5
Accounts receivable and other	30.6	24.8	–	24.8	18.2	–		43.0	53.0
Inventories	29.8	24.2	–	24.2	104.2	–		128.4	158.2
Total current assets	244.5	198.4	–	198.4	277.8	(30.0)		446.2	549.9
Non Current Assets									
Restricted assets and other	7.3	5.9	–	5.9	8.3	318.0	10	332.2	409.4
Mining interests	821.2	665.6	(53.3)	1,2,3,4 612.3	691.3	1,271.8	8	2,575.4	3,174.0
Future income taxes	2.5	2.0	–	2.0	–	–		2.0	2.5
Total Assets	1,075.5	871.9	(53.3)	818.6	977.4	1,559.8		3,355.8	4,135.8
LIABILITIES, NON CONTROLLING INTEREST AND SHAREHOLDERS' EQUITY									
Current Liabilities									
Accounts payable and accrued liabilities	91.9	74.6	(1.5)	5 73.1	44.0	–		117.1	144.3
Debt – current	65.1	52.8	–	52.8	5.1	125.4	15	183.3	225.9
Future income taxes	–	–	–	–	1.6	–		1.6	2.0
Total current liabilities	157.0	127.4	(1.5)	125.9	50.7	125.4		302.0	372.2
Non Current Liabilities									
Debt – long-term	154.6	125.4	–	125.4	–	(125.4)	15	–	–
Asset retirement obligations	29.5	23.9	–	23.9	5.0	–		28.9	35.6
Future Income Taxes	9.5	7.7	7.3	4 15.0	59.8	318.0	9	392.8	484.1
Total liabilities	350.6	284.4	5.8	290.2	115.5	318.0		723.7	891.9
Non controlling interest									
	32.3	23.9	–	23.9	5.8	–		29.7	36.6
Shareholders' Equity									
Share capital	858.8	720.6	–	720.6	951.3	1,025.7	7,11	2,697.6	3,324.6
Contributed surplus	–	–	–	–	18.9	–		18.9	23.3
Accumulated other comprehensive income	–	–	–	–	0.5	–		0.5	0.6
Reserves	12.8	(16.9)	–	(16.9)	–	16.9	13	–	–
Deficit	(179.0)	(140.1)	(59.1)	1,2,3,5 (199.2)	(114.6)	199.2	12	(114.6)	(141.2)
Total shareholders' equity	692.6	563.6	(59.1)	504.5	856.1	1,241.8		2,602.4	3,207.3
Total liabilities, non controlling interest and shareholders' equity	1,075.5	871.9	(53.3)	818.6	977.4	1,559.8		3,355.8	4,135.8

TABLE B – UNAUDITED COMBINED GROUP PRO FORMA INCOME STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2009

	Sino Gold		Accounting Policy Adjustments (US\$ million)	Note ref.	Sino Gold	Eldorado	Note ref.	Combined Group	
	A-IFRS (A\$ million)	A-IFRS (US\$ million)			C-GAAP (US\$ million)	C-GAAP (US\$ million)		Pro forma (US\$ million)	Pro forma (A\$ million)
Revenue									
Gold sales	139.9	99.5	–		99.5	132.3		231.8	325.6
Interest and other income	1.1	0.8	–		0.8	0.6		1.4	2.0
Total revenue	141.0	100.3	–		100.3	132.9		233.2	327.6
Expenses									
Operating costs	67.3	47.9	6.7	1,6	54.6	47.0		101.6	142.7
Depletion, depreciation and amortisation	17.3	12.3	–		12.3	11.0		23.3	32.7
General and administrative	9.3	6.6	2.9	2	9.5	16.7		26.2	36.8
Exploration	–	–	2.6	3	2.6	5.4		8.0	11.3
Mine standby costs	–	–	–		–	0.9		0.9	1.3
Asset retirement obligation costs	1.0	0.7	–		0.7	0.1		0.8	1.1
Foreign exchange loss (gain)	0.3	0.2	–		0.2	(1.1)		(0.9)	(1.3)
	95.2	67.7	12.2		79.9	80.0		159.9	224.6
Gain on disposal of assets	(1.4)	(1.0)	–		(1.0)	(1.5)		(2.5)	(3.5)
Gain on marketable securities	(4.4)	(3.1)	–		(3.1)	(0.1)		(3.2)	(4.5)
Interest and financing costs	6.5	4.7	(0.7)	6	4.0	0.1		4.1	5.8
Loss on derivative contract	18.8	13.3	0.8	5	14.1	–		14.1	19.8
Total expenses	114.7	81.6	12.3		93.9	78.5		172.4	242.2
Income (loss) before income taxes and non controlling interest	26.3	18.7	(12.3)		6.4	54.4		60.8	85.4
Income taxes									
Current	(9.3)	(6.6)	–		(6.6)	(13.7)		(20.3)	(28.5)
Future	(1.7)	(1.2)	–		(1.2)	(0.7)		(1.9)	(2.7)
Total income taxes	(11.0)	(7.8)	–		(7.8)	(14.4)		(22.2)	(31.2)
Non controlling interest	(2.7)	(1.9)	–		(1.9)	(1.0)		(2.9)	(4.1)
Net income (loss) for the period	12.6	9.0	(12.3)		(3.3)	39.0		35.7	50.1
Basic income (loss) per share – US\$/A\$							16	0.07	0.09
Diluted income (loss) per share – US\$/A\$							16	0.07	0.09

5 Profile of the Combined Group

TABLE C – UNAUDITED COMBINED GROUP PRO FORMA INCOME STATEMENT FOR THE 12 MONTHS ENDED 31 DECEMBER 2008

	Sino Gold		Accounting Policy Adjustments (US\$ millions)	Note ref.	Sino Gold C-GAAP (US\$ millions)	Eldorado C-GAAP (US\$ millions)	Combined Group		
	A-IFRS (A\$ millions)	A-IFRS (US\$ millions)					Pro forma (US\$ millions)	Pro forma (A\$ millions)	
Revenue									
Gold sales	198.2	168.9	–		168.9	277.7	446.6	523.9	
Interest and other income	1.9	1.7	–		1.7	10.5	12.2	14.3	
Total revenue	200.1	170.6	–		170.6	288.2	458.8	538.2	
Expenses									
Operating costs	121.4	103.5	14.7	1,6	118.2	92.0	210.2	246.5	
Depletion, depreciation and amortisation	14.3	12.2	–		12.2	26.0	38.2	44.8	
General and administrative	17.8	15.2	6.4	2	21.6	38.3	59.9	70.3	
Exploration	–	–	5.4	3	5.4	12.3	17.7	20.8	
Mine standby costs	–	–	–		–	2.4	2.4	2.8	
Asset retirement obligation costs	1.3	1.1	–		1.1	3.1	4.2	4.9	
Foreign exchange (gain) loss	(10.6)	(9.1)	–		(9.1)	0.2	(8.9)	(10.4)	
	144.2	122.9	26.5		149.4	174.3	323.7	379.7	
Gain on disposal of assets	–	–	–		–	(70.8)	(70.8)	(83.0)	
Gain on marketable securities	–	–	–		–	(2.5)	(2.5)	(2.9)	
Interest and financing costs	7.5	6.4	(1.4)	6	5.0	2.9	7.9	9.3	
Loss on derivative contract	32.9	28.0	2.5	5	30.5	3.0	33.5	39.2	
Writedown of assets	100.7	85.9	–		85.9	–	85.9	100.8	
Total expenses	285.3	243.2	27.6		270.8	106.9	377.7	443.1	
Income (loss) before income taxes and non controlling interest	(85.2)	(72.6)	(27.6)		(100.2)	181.3	81.1	95.1	
Income taxes									
Current	(11.1)	(9.5)	–		(9.5)	(25.4)	(34.9)	(41.0)	
Future	(5.1)	(4.4)	–		(4.4)	12.9	8.5	10.0	
Total income taxes	(16.2)	(13.9)	–		(13.9)	(12.5)	(26.4)	(31.0)	
Non controlling interest	(2.4)	(2.0)	–		(2.0)	(5.1)	(7.1)	(8.3)	
Net income (loss) for the year	(103.8)	(88.5)	(27.6)		(116.1)	163.7	47.6	55.8	
Basic income (loss) per share – US\$/A\$							16	0.09	0.11
Diluted income (loss) per share – US\$/A\$							16	0.09	0.11

Notes to the unaudited Combined Group Pro Forma Historical Financial Information

Where possible both US\$ and A\$ have been shown.

Reclassifications

Reclassifications of Sino Gold financial statements to conform to the financial statement presentation used by Eldorado include reclassification of:

- other assets to accounts receivable and other;
- property, plant and equipment and deferred exploration, evaluation and development costs to mining interests;
- trade and other payables, tax payable, derivatives and provisions to accounts payable and accrued liabilities;
- interest bearing liabilities to debt;
- hedge reserves and other reserve to reserves;
- accumulated losses to deficit;
- revenue from sale of gold to gold sales;
- other operating revenue (in relation to silver) to operating costs;
- interest revenue and sundry income (within other income) to interest and other income;
- royalties, resource tax and other operating expenses (within other operating expenses) to operating costs;
- depreciation and amortisation to depletion, depreciation and amortisation;
- share based payment, employee benefits and other corporate costs to general and administrative;
- rehabilitation (within other operating expenses) to asset retirement obligation costs;
- foreign exchange gain (loss) (within other income) to foreign exchange loss (gain);
- gain on disposal of assets (within other income) to gain on disposal of assets;
- gain on sale of marketable securities (within other income) to gain on marketable securities;
- finance costs to interest and financing costs; and
- gain on fair value of vested share options – derivative and amortisation of hedge close out to loss (gain) on derivative contract.

Accounting policy adjustments – accounting policy alignment

Sino Gold prepares its consolidated financial statements in accordance with A-IFRS. A-IFRS differs in certain material respects from Canadian GAAP. These differences (as they relate to Sino Gold) and the adjustments necessary to present Sino Gold's financial statements in accordance with Eldorado's Canadian GAAP accounting policies, are detailed below:

- **Note 1 – Deferred stripping** – Sino Gold capitalises stripping costs based on life of mine stripping ratio versus actual ratio for the period while in production, in accordance with Sino Gold's accounting policies. In contrast, Eldorado's accounting policy is to expense such stripping related costs. These deferred stripping costs are in relation to the Jinfeng open pit mine. Accordingly, US\$20.5 million (A\$25.2 million) capitalised deferred stripping costs recognised on Sino Gold's balance sheet as at 30 June 2009 has been adjusted through deficit in equity. Stripping expenses of US\$6.0 million (A\$8.4 million) and US\$13.3 million (A\$15.6 million) are recognised within the operating costs line item for the six months ended 30 June 2009 and for the year ended 31 December 2008 respectively. This results in a cumulative decrease to net assets and net income;
- **Note 2 – Capitalised overheads** – Sino Gold capitalises a portion of its Sydney head office costs to exploration projects, in accordance with Sino Gold's accounting policies. In contrast, Eldorado's accounting policy is to expense such head office costs. Accordingly, US\$19.3 million (A\$23.8 million) capitalised overhead costs recognised on Sino Gold's balance sheet as at 30 June 2009 have been adjusted through deficit in equity. Overhead expenses of US\$2.9 million (A\$4.1 million) and US\$6.4 million (A\$7.6 million) are recognised within the general and administrative cost line item for the six months ended 30 June 2009 and for the year ended 31 December 2008 respectively. This results in a cumulative decrease to net assets and net income;

5 Profile of the Combined Group

-
- **Note 3 – Exploration costs** – Sino Gold capitalises all of its exploration costs in relation to sites where Sino Gold has current mining rights in accordance with Sino Gold accounting policies. In contrast, Eldorado only capitalises exploration costs once a mineral resource having economic potential is identified on a property. Exploration costs capitalised by Sino Gold in relation to several projects do not meet this criteria. Accordingly, US\$20.8 million (A\$25.6 million) capitalised exploration costs recognised on Sino Gold's balance sheet as at 30 June 2009 has been adjusted through deficit in equity. Exploration expenses of US\$2.6 million (A\$3.7 million) and US\$5.4 million (A\$6.3 million) are recognised within the exploration expense line item for the six months ended 30 June 2009 and for the year ended 31 December 2008 respectively. This results in a cumulative decrease to net assets and net income;
 - **Note 4 – Acquisition of Eastern Dragon** – on acquisition of Eastern Dragon, Sino Gold initially recognised no deferred tax for the difference between the accounting and tax bases of the acquired asset. Under Eldorado's accounting policy, deferred tax would be recognised for the initial difference between the tax and accounting bases. Accordingly, the 30 June 2009 consolidated balance sheet recognises US\$7.3 million (A\$9.0 million) of future income taxes in mining interests and future income taxes line items. There is no net impact on net assets and net income;
 - **Note 5 – Options and warrants** – Sino Gold accounts for options and warrants granted to investors, where there is no share based payment relationship and which are denominated in a currency other than the issuer's functional currency, as derivative liabilities measured at fair value with changes in fair value recognised through the income statement, in accordance with A-IFRS. Under Canadian GAAP, options and warrants of the nature described above are classified as the company's own equity instruments and are recorded at historical values.
- Accordingly, the US\$1.5 million (A\$1.8 million) derivative liability and accumulated losses on Sino Gold's balance sheet as at 30 June 2009 has been de-recognised. Previously recognised gains of US\$0.8 million (A\$1.1 million) and US\$2.5 million (A\$2.9 million) from fair value movements have been de-recognised from the finance expense line item for the six months ended 30 June 2009 and the year ended 31 December 2008 respectively; and
- **Note 6 – Reclassification** – to reclassify operating expense of US\$0.7 million (A\$1.0 million) and US\$1.4 million (A\$1.6 million) for the six months ended 30 June 2009 and the year ended 31 December 2008 respectively in relation to rehabilitation unwinding costs from interest and financing costs line item to operating costs line item as accretion expense in accordance with Eldorado's accounting policy over asset retirement obligations.
- Acquisition Adjustments – 19.8% acquisition of Sino Gold and remaining 80.2% under the Scheme Purchase consideration**
- The Combined Group Pro Forma Balance Sheet assumes the following in respect of the purchase consideration in relation to 19.8% shareholding acquisition:
- the issuance of 27,824,654 Eldorado shares (US\$264.2 million, A\$325.6 million) for the acquisition of 57,968,029 Sino Gold shares from GFA; and
 - the issuance of 4,057,762 Eldorado shares (US\$43.0 million, A\$53.0 million) to GFA as per the terms of the Share Purchase Agreement dated 3 June 2009 and amendments dated 10 July 2009 between Eldorado and GFA.
- The Combined Group Pro Forma Balance Sheet assumes the following in respect of the purchase consideration in relation to 80.2% shareholding acquisition under the Share Scheme:
- the total number of outstanding Sino Gold shares on a fully diluted basis currently not owned by Eldorado is 246,605,341 shares (representing 80.2% shareholding plus options) and all of these Sino Gold shares will be acquired by Eldorado under the Share Scheme;

- under the Share Scheme, Sino Gold shareholders will be issued 0.55 Eldorado shares in the form of Eldorado CDIs for each Sino Gold share they own;
- for the purposes of calculating the purchase consideration used in the Combined Group Pro Forma Balance Sheet, the price of Eldorado shares to be issued is assumed to be C\$11.58 (US\$10.61), which represents the volume weighted average closing share price of Eldorado shares on TSX from 24 August 2009 to 28 August 2009 (inclusive);
- Eldorado will issue 135,632,938 Eldorado shares in connection with the Schemes (based on consideration of 0.55 Eldorado shares for each Sino Gold share) valued at approximately US\$1,439.1 million (A\$1,773.5 million); and
- the cash receipts from the potential exercise of Sino Gold options have not been adjusted in the Combined Group Pro Forma Balance Sheet. Such receipts would be an increase in the cash balance of the Combined Group Pro Forma Balance Sheet.

The Combined Pro Forma Balance Sheet therefore assumes that Eldorado will issue a total of 139,690,700 shares (equating to the 4,057,762 shares to be issued to GFA under the Top-Up Right plus 135,632,938 shares to be issued under the Schemes).

The following acquisition adjustment has been made:

- **Note 7 – Share capital** – increase in share capital of US\$1,746.3 million (A\$2,152.1 million) to reflect Eldorado shares issued as consideration for the 19.8% acquisition (US\$307.2 million, A\$378.6 million) and 80.2% under the Schemes (US\$1,439.1 million, A\$1,773.5 million).

Fair value adjustments

The purchase price is allocated to assets (including identifiable intangible assets arising from the Schemes) and liabilities acquired based on their estimated fair value. The preliminary purchase price allocation is based upon Eldorado's estimate of the fair value of assets acquired and liabilities assumed and fair value amounts may differ significantly upon the results of an independent valuation to be completed in conjunction with the Combined Group's management at the implementation date. Certain fair value adjustments to the Sino Gold balance sheet in connection with

the Schemes are described in Notes 8 and 9 below. The excess of the total purchase consideration over the estimated fair value of the net assets acquired is allocated to goodwill and included in restricted assets and other in the Combined Group Pro Forma Balance Sheet.

The estimated fair market value of Sino Gold's assets acquired and liabilities assumed was primarily based on publicly available information supplemented by information determined by Eldorado management. The actual adjustments will depend on a number of factors, including differences in accounting policies and practices, the results of an independent valuation at the Implementation Date and changes in the financial position and market value of net balance sheet assets and operating results of Sino Gold between 30 June 2009 and the Implementation Date. All such adjustments at the Implementation Date will be included in the final purchase price allocation. The adjustments will likely affect the value of assets, liabilities or goodwill and any such adjustments may be material.

The initial determination of mining interests and other assets and liabilities, including intangible assets, related to the acquisition will be reported as provisional fair values with adjustments made to finalise these values within 12 months of the implementation date. As a result, the actual determination of mining interests may change, which could result in recognition of a goodwill balance.

The following acquisition adjustments, including fair value adjustments, have been made:

- **Note 8 – Mining interests** – Sino Gold's mining interests, which has a carrying value of US\$612.3 million (A\$754.6 million) as at 30 June 2009, has been fair valued to approximately US\$1,884.1 million (A\$2,322.0 million), a US\$1,271.8 million (A\$1,567.4 million) increase in carrying value. This increase represents Eldorado management's preliminary estimate of the fair value related to those assets; and
- **Note 9 – Future income tax liability non current** – future income tax liability was increased by US\$318.0 million (A\$391.7 million) to reflect the tax effect on fair value adjustments described under Note 8 above.

5 Profile of the Combined Group

Goodwill

For the purposes of the Combined Group Pro Forma Balance Sheet, the Schemes are accounted for using the purchase method of accounting.

	(US\$ million)	(A\$ million)
Purchase consideration		
Issue of Eldorado shares for acquisition of 19.8% of Sino Gold	264.2	325.6
Issue of Eldorado shares – top up on 19.8% (see section 4.13 for details)	43.0	53.0
Issue of Eldorado shares for the remaining interest in Sino Gold	1,439.1	1,773.5
Estimated Eldorado transaction costs	30.0	37.0
Total purchase consideration	1,776.3	2,189.1
Fair value of net assets acquired		
Carrying value of Sino Gold's acquired net assets as at 30 June 2009 prior to implementation of the Scheme	504.5	621.7
Estimated fair value adjustments, net of income taxes	953.8	1,175.7
Estimated fair value of net assets acquired	1,458.3	1,797.4
Goodwill	318.0	391.7

The following acquisition adjustment has been made:

- **Note 10 – Goodwill** – recognition of US\$318.0 million (A\$391.7 million) of goodwill as a result of the 19.8% acquisition and the remaining 80.2% under the Schemes, being the tax effect on fair value adjustments described under Note 8 above.

Sino Gold's shareholders' equity

The Sino Gold shareholders' equity, comprised of share capital, retained earnings and reserves, have been eliminated to reflect the effect of the Schemes. The following acquisition adjustments have been made:

- **Note 11 – Share capital** – Sino Gold's share capital of US\$720.6 million (A\$888.1 million) as at 30 June 2009 has been eliminated;
- **Note 12 – Deficit** – Sino Gold's deficit of US\$199.2 million (A\$245.5 million) as at 30 June 2009 has been eliminated; and
- **Note 13 – Reserve** – Sino Gold's reserves of US\$16.9 million (A\$20.8 million – debit balance) as at 30 June 2009 has been eliminated.

Transaction costs estimates

For the purposes of the Combined Group Pro Forma Balance Sheet, the estimated transaction costs incurred by Eldorado of US\$30.0 million (A\$37.0 million) is assumed to be paid out of cash and cash equivalents.

The following acquisition adjustment has been made:

- **Note 14 – Cash and cash equivalents** – a decrease in cash and cash equivalents and the capitalisation of transaction costs incurred by Eldorado of US\$30.0 million (A\$37.0 million).

Restructuring/integration costs and transition costs estimates

Estimated restructuring/integration costs have not yet been determined. Any identified restructuring/integration costs will be included in accounts payable and accrued liabilities at the Implementation Date.

Estimated transition costs to be incurred by Eldorado and Sino Gold to combine the two companies have not yet been determined. Any identified combination transition costs will be recorded as an expense in the consolidated income statement of Eldorado following the implementation of the Schemes. The impacts of this are excluded from the pro forma consolidated income statements.

Classification of debt

Sino Gold currently has a number of funding facilities, all of which permit the funder to call on the facility in the event of a change in control. As such, Sino Gold does not have an unconditional right to defer its settlement for at least 12 months after the balance date. Accordingly, this debt is classified as current in the pro forma balance sheet.

- **Note 15 – Reclassification** – to reclassify all debt from non current liabilities to current liabilities.

Adjustments to the income statements

The following are income statement items that have not been adjusted, as they cannot be reliably estimated for the historical periods, but are relevant considerations as potential post acquisition income statement impacts that may adversely impact future net income.

- The impact on future annual depreciation and amortisation expenses arising from the provisional fair value increase to mining interests will vary over the lives of the underlying assets, and will be significant. The depreciation of mining assets commences when the mine starts commercial production. The impact on operating expenses arising from the provisional fair value adjustments made in relation to inventories could be significant.
- The impact of current and future income tax expense/recovery arising from changes in the Combined Group's tax profile has not been reflected and the impact may be significant.
- The mining interests balance recognised will be subject to ongoing impairment testing. Should an impairment be identified, the resulting impact on earnings could be significant. To the extent goodwill is recognised, it will also be subject to annual impairment testing.

Weighted average number of shares, basic and diluted earnings

The pro forma adjustments to the weighted average number of shares and basic and diluted earnings for the six months ended 30 June 2009 and for the year ended 31 December 2008 include the following:

- (a) the weighted average number of Eldorado shares outstanding is 370.5 million (basic) or 371.9 million (diluted) for the six months ended 30 June 2009 and 355.1 million (basic) or 356.3 million (diluted) for the year ended 31 December 2008; and

- (b) the pro forma weighted average number of Eldorado shares outstanding after giving effect to the Schemes is 538.0 million (basic) or 539.4 million (diluted) for the six months ended 30 June 2009 and 522.6 million (basic) or 523.8 million (diluted) for the year ended 31 December 2008. The pro forma weighted average number of Eldorado shares outstanding reflects the issuance of the 139,690,700 Eldorado shares as described in Note 7 and the issuance of 27.8 million Eldorado shares on initial acquisition of the 19.8% from GFA.
- **Note 16** – Basic and diluted pro forma earnings (before acquisition adjustment impacts) per share for the six months ended 30 June 2009 is US\$0.07 (A\$0.09) and for the year ended 31 December 2008 is US\$0.09 (A\$0.11).

International financial reporting standards

Eldorado's consolidated financial statements are prepared in accordance with Canadian GAAP, which differs in certain significant respects from A-IFRS, as applied by Sino Gold in its audited financial statements for the year ended 31 December 2008 and its unaudited interim results for the six months ended 30 June 2009. Compliance with A-IFRS by Sino Gold ensures that the financial statements and notes of Sino Gold comply with IFRS.

In February 2008, the Canadian Accounting Standards Board announced that IFRS will be applicable to Canadian public entities for financial years beginning on or after 1 January 2011. The first period of IFRS reporting for Eldorado will be for the quarter ending 31 March 2011, with IFRS also applying to the comparative period to 31 March 2010. Eldorado has undertaken a project to assess the potential impacts of its transition to IFRS and has completed the Initial Assessment phase and is currently engaged in the Detailed Assessment phase which includes the detailed determination of accounting policy and disclosure changes that will be required upon transition to IFRS as well as a detailed analysis of the application of IFRS 1 *First-time Adoption of International Financial Reporting Standards*.

For the purpose of the Combined Group Pro Forma Historical Financial Information and comparison to Sino Gold's reporting framework under A-IFRS, Eldorado has completed a review of material differences between current Canadian GAAP and IFRS. As Eldorado is not currently publishing financial statements under IFRS, this should not be considered to be a

5 Profile of the Combined Group

full adoption of IFRS by Eldorado and is disclosed for the purposes of the Combined Group Pro Forma Historical Financial Information only, to assist Sino Gold securityholders accustomed to making investment decisions based on financial information prepared in accordance with A-IFRS. As a result, the final choice of accounting policies on adoption of IFRS by Eldorado may be different from those used for the purpose of this information and the provisions of IFRS 1 will have to be reapplied, including the IFRS transition date used, assessment of the optional exemptions available under IFRS 1 as they apply at the date of IFRS transition, and assessment of IFRS standards and interpretations effective as of the reporting date of the first IFRS reporting period, which may be materially different.

Eldorado has not previously prepared financial statements under IFRS. In assessing potential material differences from Canadian GAAP to IFRS, Eldorado applied a limited application of the principles of IFRS 1 with a convenience transition date of 1 January 2008 (**Transition Date**). IFRS 1 requires that first time adopters of IFRS retrospectively apply all effective IFRS standards and interpretations to determine the opening balance sheet as at the Transition Date. IFRS 1 provides for certain optional exemptions and mandatory exceptions to this general rule. For the purposes of preparing this information, Eldorado has elected the following optional exemptions under IFRS 1:

- **Business combinations** – Eldorado has elected not to apply IFRS 3 *Business Combinations*, retrospectively to business combinations that occurred prior to the Transition Date. Consequently, business combinations that were recognised before the Transition Date have not been restated. Any goodwill arising on such business combinations before the Transition Date was not adjusted from the carrying value previously determined under Canadian GAAP as a result of applying this exemption;
- **Share-based payments** – Eldorado has elected to apply the requirements of IFRS 2 *Share-based Payments* only to equity instruments granted after 7 November 2002 which had not vested as of the Transition Date;

- **Changes in existing decommissioning, restoration and similar liabilities included in the cost of property, plant and equipment** – Eldorado has elected not to retrospectively recognise changes to liabilities under IFRIC 1 *Changes in Existing Decommissioning, Restoration and Similar Liabilities* which may have occurred before the Transition Date; and
- **Employee benefits** – Eldorado has elected to recognise all cumulative actuarial gains and losses for all defined benefit plans that exist at the Transition Date in opening retained earnings.

Eldorado has also applied the three mandatory exceptions to full retrospective application of IFRS required by IFRS 1 as follows:

- **Derecognition of financial assets and financial liabilities** – IFRS 1 requires first time adopters to apply the derecognition requirements in IAS 39 *Financial Instruments: Recognition and Measurement*, prospectively for transactions occurring on or after its Transition Date;
- **Non-controlling interests** – IFRS requires first time adopters to apply the following requirements of IAS 27 prospectively from its transition date:
 - (a) the requirement that total comprehensive income is attributed to the owners of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance;
 - (b) the requirements for accounting for changes in the parent's ownership interest in a subsidiary that do not result in a loss of control; and
 - (c) the requirements for accounting for a loss of control over a subsidiary, and the related requirements of IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*; and
- **Estimates** – hindsight is not used to create or revise estimates. The estimates previously made by Eldorado under Canadian GAAP were not revised for application of IFRS except where necessary to reflect any difference in accounting policies.

After the assumed application of the IFRS 1 optional and mandatory exemptions as detailed above, the following is a description of the nature of the identified material differences between Canadian GAAP and IFRS as applicable to the Combined Group:

- **Income taxes** – the following differences were noted with respect to the accounting for income taxes:
 - under Canadian GAAP, on acquisition of the Frontier and Brazauro assets, which were not accounted as business combinations, Eldorado recognised a deferred tax liability for the initial difference between the tax and accounting basis of the assets. Under IFRS no deferred tax would have been recognised for this initial difference as at the time of the transaction, neither accounting profit nor taxable profit (tax loss) were affected. The notional application of IFRS would result in a decrease in future income taxes as at 30 June 2009 of US\$38.2 million (A\$47.1 million), a decrease of US\$53.2 million (A\$65.6 million) in mining interests and an increase of US\$15.0 million (A\$18.5 million) in deficit. The impact on net income on the Combined Group Pro Forma Income Statements for the six months ended 30 June 2009 and the year ended 31 December 2008 would be US\$ nil and a decrease of net income of US\$15.0 million (A\$17.6 million) respectively; and
 - the calculation of deferred tax on non-monetary items for entities whose tax and accounting functional currencies are different differs between Canadian GAAP and IFRS. Application of the IFRS calculation methodology would result in a decrease of US\$0.6 million (A\$0.7 million) to net assets and a corresponding increase in deficit in the Combined Group Pro Forma Income Statements. The impact on net income on the Combined Group Pro Forma Balance Sheet for the six months ended 30 June 2009 and the year ended 31 December 2008 would be a decrease in net income of US\$0.9 million (A\$1.3 million) and US\$8.6 million (A\$10.1 million) respectively.
- **Acquisition accounting for a business combination:**
 - Measurement of consideration for the options and warrants converted and 80.2% outstanding Sino Gold shares
Canadian GAAP requires share based consideration to be valued based on the announcement date share price which for the Sino Gold acquisition was calculated to be C\$11.58 (US\$10.61). Under IFRS the value of share based consideration is required to be valued based on its fair value at the acquisition date. For each 10 cent movement in the underlying share price, the purchase consideration under IFRS would be approximately US\$13.6 million (A\$16.7 million) higher or lower, with a corresponding increase or decrease in share capital.
 - Measurement of non-controlling interests
Under Canadian GAAP, after a business combination a non-controlling interest is reflected at the historical carrying value of the assets and liabilities of the acquired entity. In contrast under IFRS, after a business combination a non controlling interest is recorded based on its share of the fair value of the assets and liabilities of the acquired entity.

5 Profile of the Combined Group

5.4 Combined Group resources and reserves

Combined Group mineral reserves

	Tonnes (mm)	Grade (Au g/t)	In-situ gold ounces (000)
Kışladağ			
Proven	67.7	1.08	2,353
Probable	93.8	1.05	3,170
Total	161.5	1.06	5,523
Tanjianshan			
Proven	5.6	3.77	680
Probable	1.2	3.71	137
Total	6.8	3.76	817
Efemçukuru			
Proven	1.3	11.89	505
Probable	2.5	9.04	716
Total	3.8	10.04	1,221
Jinfeng			
Proved	13.2	5.1	2,171
Probable	6.1	5.4	1,061
Total	19.3	5.2	3,232
White Mountain			
Proved	4.3	3.6	500
Probable	2.3	4.0	290
Total	6.6	3.7	790
Eastern Dragon			
Proved	0.7	9.8	206
Probable	1.3	7.6	321
Total	2.0	8.4	527
Beyinhar			
Proved	7.1	0.83	191
Probable	20.7	0.55	367
Total	27.8	0.62	558
Total Proven/Proved	99.9	–	6,606
Total Probable	127.9	–	6,062
Total	227.8	–	12,668

-
- (1) Mineral reserves are included in mineral resources.
 - (2) Estimates are based on the following respective gold prices: Kışladağ and Tanjianshan: US\$725 per ounce; Efemçukuru: US\$530 per ounce; Jinfeng: US\$750 per ounce; White Mountain: US\$750 per ounce; Eastern Dragon: US\$650 per ounce; Beyinhar: US\$650 per ounce.
 - (3) Estimates are based on the following respective gold cut-off grades (g/t): Kışladağ: 0.35g/t oxide, 0.50g/t sulphide; Tanjianshan: 1.3g/t JLG oxide, 1.64g/t JLG sulphide; Efemçukuru: 4.5g/t; Jinfeng open pit: 1.5g/t; Jinfeng underground: 2.9g/t; White Mountain: 2.0g/t; Eastern Dragon: 1.5/2.5g/t; Beyinhar: 0.28/0.66g/t.
 - (4) Qualified persons for mineral reserve estimates and for verifying the technical data relating thereto in respect of the Eldorado properties are as follows: Richard Miller, PEng and Manager, Mine Engineering of Eldorado for Kışladağ and Tanjianshan; Andy Nichols, PEng, Chief Mining Engineer of WEI for Efemçukuru. See section 12.9 for information on qualified persons.
 - (5) The 'competent persons' for ore reserve estimates in respect of the Sino Gold properties are: Dr John Chen (MAusIMM), a full-time employee of Sino Gold in the capacity of Manager – Mining, Technical Services, for Jinfeng (underground), White Mountain and Eastern Dragon; Weifeng Li (MAusIMM), a consultant of West Swan Pty Ltd, for Jinfeng (open pit); and Steve Craig (MAusIMM), an independent consultant with Oreology Pty Ltd, for Beyinhar.
 - (6) Mineral reserves from Tanjianshan represent 100%, of which Eldorado owns 90%; mineral reserves for Jinfeng represent 100%, of which Sino Gold owns 82%; mineral reserves for White Mountain represent 100%, of which Sino Gold owns 95%; mineral reserves for Eastern Dragon represent 100%, of which Sino Gold owns 95%; mineral reserves for Beyinhar represent 100%, of which Sino Gold owns 95%. The figures above are shown on a 100% consolidated basis; no adjustment has been made for minority interests.
 - (7) Mineral reserves for Kışladağ, Tanjianshan and Efemçukuru are calculated as at 31 December 2008 in accordance with NI 43-101; ore reserves for Jinfeng, White Mountain, Eastern Dragon and Beyinhar are calculated as at 31 December 2008 and presented in accordance with the JORC Code, which is equivalent under the corresponding categories of mineral reserves under NI 43-101 and CIM Standards. CIM definitions of the terms 'mineral reserve', 'proven mineral reserve' and 'probable mineral reserve' are substantially similar to the JORC Code corresponding definitions of the terms 'ore reserve', 'proved ore reserve' and 'probable ore reserve', respectively. Estimates of mineral reserves prepared in accordance with the JORC Code would not be materially different if prepared in accordance with the CIM definitions applicable under NI 43-101.
 - (8) The cut-off grades for the deposits are based on certain assumptions for plant recovery, gold values, mining dilution and recovery, along with operating and capital cost projections that are based on historical production figures. Estimated mineral reserves may have to be recalculated based on actual production or exploration results. Market price fluctuation of gold, as well as increased production costs or alteration in recovery rate, may render the proven and probable mineral reserves unprofitable to develop at a particular property or for a specific mine.
 - (9) The reserve estimates reflect certain assumptions by Eldorado and Sino Gold, which assumptions may differ. There are numerous uncertainties inherent in estimating reserves and resources. The estimation of mineral reserves and mineral resources is a subjective process, the accuracy of any such estimates is a function of the quantity and quality of available data and the assumptions made and judgements used in engineering and geological interpretation, which may be proven to be unreliable. There can be no assurance that the estimates will be accurate or that the mineral reserves and mineral resources can be mined or processed profitably and the estimates may be subject to revisions based on various factors. Furthermore, there is no assurance that if the Sino Gold mineral reserve and mineral resource estimates were prepared by Eldorado that the estimates would be the same. Eldorado intends to review the methodology used in preparing the mineral reserve and mineral resource estimates for the Sino Gold properties and update as appropriate. Accordingly, there is no assurance that the mineral reserve and mineral resource estimates for the Sino Gold properties will not change.

5 Profile of the Combined Group

Combined Group mineral resources

	Tonnes (mm)	Grade (Au g/t)	In-situ gold ounces (000)
Kışladağ			
Measured	72.8	1.04	2,432
Indicated	207.1	0.82	5,430
M + I	279.9	0.88	7,862
Inferred	126.9	0.63	2,552
Tanjianshan			
Measured	7.0	3.34	751
Indicated	2.9	2.76	261
M + I	9.9	3.17	1,012
Inferred	3.5	3.54	398
Efemçukuru			
Measured	1.2	13.80	548
Indicated	3.7	8.39	993
M + I	4.9	9.75	1,541
Inferred	2.1	9.95	675
Perama			
Measured	–	–	–
Indicated	11.7	3.62	1,363
M + I	11.7	3.62	1,363
Inferred	8.7	1.96	552
Jinfeng			
Measured	18.0	4.8	2,750
Indicated	11.0	4.5	1,580
M + I	29.0	4.7	4,330
Inferred	5.4	3.9	674
White Mountain			
Measured	6.7	3.1	673
Indicated	4.0	3.1	405
M + I	10.7	3.1	1,079
Inferred	1.6	2.1	109
Eastern Dragon			
Measured	0.6	11.2	220
Indicated	1.6	7.2	361
M + I	2.2	8.3	581
Inferred	1.2	5.0	196
Beyinhar			
Measured	7.8	0.82	205
Indicated	53.9	0.49	848
M + I	61.7	0.53	1,053
Inferred	7.5	0.75	182
Total Measured	114.1	–	7,579
Total Indicated	295.9	–	11,241
Total M + I	410.0	–	18,821
Total Inferred	156.9	–	5,338

-
- (1) Mineral resources include mineral reserves. Inferred resources have not been added to any other category of resources.
 - (2) Estimates are based on the following respective gold prices: Kişladağ and Tanjianshan: US\$725 per ounce; Efemçukuru: US\$530 per ounce; Perama: US\$350 per ounce; Jinfeng: US\$750 per ounce; White Mountain: US\$750 per ounce; Eastern Dragon: US\$650 per ounce; Beyinhar: US\$650 per ounce.
 - (3) Estimates are based on the following respective gold cut-off grades (g/t): Kişladağ: 0.4g/t; Tanjianshan: 1.0g/t; Efemçukuru: 3.0g/t; Perama: 1.0g/t; Jinfeng open pit: 1.0g/t; Jinfeng underground: 2.0g/t; White Mountain: 1.0g/t; Eastern Dragon: 1.0g/t; Beyinhar: 0.2/0.5g/t.
 - (4) Stephen Juras, PhD, PGeo and Manager, Geology for Eldorado is the qualified person responsible for all the mineral resource estimates for Eldorado's material properties, namely Kişladağ, Tanjianshan and Efemçukuru, and for verifying the technical data relating thereto; Eldorado does not currently consider Perama to be a material property. The qualified person for the measured and indicated resources for Perama was Luke Evans, MSc, PEng, Scott Wilson Roscoe Postle Associates Inc. See section 12.9 for information on qualified persons.
 - (5) Dr Yumin Qiu (MAIG), a full-time employee of Sino Gold in the capacity of Head of Exploration and Business Development, is the 'competent person' responsible for all mineral resource estimates for Jinfeng, White Mountain, Eastern Dragon and Beyinhar.
 - (6) Mineral resources for Tanjianshan represent 100%, of which Eldorado owns 90%; mineral resources for Jinfeng represent 100%, of which Sino Gold owns 82%; mineral resources for White Mountain represent 100%, of which Sino Gold owns 95%; mineral resources for Eastern Dragon represent 100%, of which Sino Gold owns 95%; mineral resources for Beyinhar represent 100%, of which Sino Gold owns 95%. The figures above are on a 100% consolidated basis; no adjustment has been made for minority interests.
 - (7) All mineral resources for Kişladağ, Tanjianshan, Efemçukuru and Perama are calculated as at 31 December 2008 in accordance with NI 43-101. Mineral resources for Jinfeng, White Mountain, Eastern Dragon and Beyinhar are calculated as at 31 December 2008 and are presented in accordance with the JORC Code, which is equivalent under the corresponding categories of mineral resources under NI 43-101 and CIM Standards. CIM definitions of the terms 'mineral resource', 'measured mineral resource', 'indicated mineral resource' and 'inferred mineral resource' are substantially similar to the JORC Code corresponding definitions of the terms 'mineral resource', 'measured mineral resource', 'indicated mineral resource' and 'inferred mineral resource', respectively. Estimates of mineral resources prepared in accordance with the JORC Code would not be materially different if prepared in accordance with the CIM definitions applicable under NI 43-101.
 - (8) The cut-off grades for the deposits are based on certain assumptions for plant recovery, gold value, mining dilution and recovery, along with operating and capital costs projections that are based on the historical production figures. Estimated mineral resources may have to be re-calculated based on actual production or exploration results.
 - (9) There can be no assurance that those portions of such mineral resources that are not mineral reserves will ultimately be converted into mineral reserves. Mineral resources are not mineral reserves and do not have demonstrated economic viability.
 - (10) The resource estimates reflect certain assumptions by Eldorado and Sino Gold, which assumptions may differ. There are numerous uncertainties inherent in estimating reserves and resources. The estimation of mineral reserves and mineral resources is a subjective process, the accuracy of any such estimates is a function of the quantity and quality of available data and the assumptions made and judgements used in engineering and geological interpretation, which may be proven to be unreliable. There can be no assurance that the estimates will be accurate or that the mineral reserves or mineral resources can be mined or processed profitably and the estimates may be subject to revisions based on various factors. Furthermore, there is no assurance that if the Sino Gold mineral reserve and mineral resource estimates were prepared by Eldorado that the estimates would be the same. Eldorado intends to review the methodology used in preparing the mineral reserve and mineral resource estimates for the Sino Gold properties and update as appropriate. Accordingly, there is no assurance that the mineral reserves and mineral resources estimates for the Sino Gold properties will not change.

5 Profile of the Combined Group

Reserves and resources statement

Eldorado's disclosure of mineral reserve and mineral resource information is governed by Canadian law. In particular, Eldorado reports its mineral reserve and mineral resource information according to the disclosure standards set out in NI 43-101, which requires the use of CIM definitions for certain terms.

Sino Gold's disclosure of ore reserve and mineral resource information is governed by Australian law. In particular, Sino Gold reports its ore reserve and mineral resource information according to the disclosure standards set out in the JORC Code.

CIM definitions of the terms '*mineral reserve*', '*proven mineral reserve*', '*probable mineral reserve*', '*mineral resource*', '*measured mineral resource*', '*indicated mineral resource*' and '*inferred mineral resource*' are substantially similar to the JORC Code corresponding definitions of terms '*ore reserve*', '*proved ore reserve*', '*probable ore reserve*', '*mineral resource*', '*measured mineral resource*', '*indicated mineral resource*' and '*inferred mineral resource*', respectively. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

Estimates of mineral resources

This booklet uses the terms '*measured*', '*indicated*' and '*inferred*' resources. Sino Gold securityholders resident in the United States of America are advised that while such terms are recognised and required by NI 43-101 and the JORC Code (use of which is mandated by applicable Canadian securities laws and ASX respectively), the US Securities and Exchange Commission does not recognise them. Sino Gold securityholders resident in the United States of America are cautioned not to assume that all or any part of measured, indicated or inferred mineral resources will ever be converted into reserves.

5.5 Financial forecasts

Eldorado has given careful consideration as to whether a reasonable basis exists to produce reliable and meaningful forecast financial information. Eldorado directors have concluded that, as at the date of this booklet, it would be misleading to provide forecast financial information, as a reasonable basis does not exist for providing financial forecasts that would be sufficiently meaningful and reliable as required by applicable law, policy and market practice.

The financial performance of the Combined Group in any period will be influenced by various factors that are outside the control of the directors and that cannot, at this time, be predicted with a high level of confidence. In particular, the financial performance of the Combined Group will be materially affected by:

- gold price;
- grade of ore;
- recovery rate at the processing plant;
- weather conditions;
- political stability; and
- labour stability.

Eldorado does not have an established practice of issuing financial forecasts given the potential impact of the considerations shown above.

Potential risk factors



6

6 Potential risk factors

6.1 Introduction

If the Schemes are implemented, Sino Gold securityholders will, subject to the terms of each Scheme, be entitled to receive the Scheme Consideration in the form of Eldorado shares or Eldorado CDIs.

The value of the Eldorado shares and Eldorado CDIs will be influenced by a range of factors, many of which will be beyond the control of the Combined Group. These risk factors are divided into risks associated with:

- (a) financial matters;
- (b) business and operations;
- (c) acquisitions;
- (d) Eldorado shares and Eldorado CDIs; and
- (e) the Combined Group.

Some of these risks are either related to exploration and mining companies generally or already relate to the Sino Gold businesses which will form part of the Combined Group and are therefore risks to which Sino Gold securityholders already have some exposure. However, a number of them will be new or potentially greater in impact than is currently the case in relation to Sino Gold.

These risk factors do not take into account the investment objectives, financial situation, position or particular needs of Sino Gold securityholders.

6.2 Risks related to financial matters

Gold price volatility

The profitability of Eldorado's operations is significantly affected by changes in the gold price. The gold price can fluctuate widely and is affected by numerous factors beyond Eldorado's control, including industrial and jewellery demand, inflation and expectations with respect to the rate of inflation, the strength of the United States dollar and of other currencies, interest rates, gold sales by central banks and international institutions, forward sales by producers, global or regional political or economic events, and production and cost levels in major gold-producing regions such as South Africa and China. In addition, the gold price is sometimes subject to rapid short-term changes because of speculative activities. The supply of gold consists of a combination of new production from mining and existing stocks of bullion and fabricated gold held by governments, public and private financial institutions, industrial organisations and private individuals. As the amounts produced in any single year constitute a small portion of the total potential supply of gold, typical variations in current production do not necessarily have a significant impact on the supply of gold or its price.

Between 2003 and the date of this booklet, the price of gold as quoted on the London Bullion Market ranged between a low of US\$319.90 and a high of US\$1,061.75 per ounce, based on the P.M. fixing price for gold. The gold price used in the Eldorado mineral resource and mineral reserve estimates for Kışladağ and Tanjianshan was US\$725 per ounce, for Perama US\$350 per ounce and for Efemçukuru US\$530 per ounce (see sections 4.7 and 5.4). Reserve calculations and LOM plans using significantly lower gold prices could result in reduced estimates of mineral resources and mineral reserves, material write-downs of Eldorado's investment in mining properties, and increased amortisation, reclamation and closure charges.

If gold prices were to decline significantly or for an extended period of time, Eldorado might be unable to continue its operations, develop its properties or fulfil its obligations under existing agreements with its partners or under its permits and licences. As a result, Eldorado might lose its interest in, or be forced to sell, some of its properties, and Eldorado's profitability and cash flow might be negatively affected.

Hedging risk

If Eldorado engages in gold hedging activities, it may minimise the effect of a decline in the gold price on the results of its operations, but it may also limit the price that can be realised on its gold. As of the date of this booklet, Eldorado has no gold hedges in place, but may engage in hedging activities in the future. Hedging activities are intended to protect a company from fluctuations in the price of gold and to minimise the effect of declines in the gold price on results of operations for a period of time. Although hedging activities may protect a company against a low gold price, they may also limit the price that can be realised on gold that is subject to forward sales and call options where the market price of gold exceeds the gold price in a forward sale or call option contract.

Mineral resource and mineral reserve estimates

The proven and probable mineral reserve figures included in this booklet are estimates, and there is no certainty that the indicated levels of gold production will be realised. Mineral reserve estimates may require revision based on various factors such as actual production experience, market price fluctuations of gold, results of drilling, metallurgical testing, production costs or recovery rates. For example, cut-off grades for Eldorado's deposit estimates are based on certain assumptions for plant recovery, gold value, mining dilution and recovery, along with operating and capital costs projections that are based on the historical

production figures. Estimated mineral resources and mineral reserves may have to be recalculated based on actual production or exploration results. Market price fluctuations of gold, as well as increased production costs or alteration in recovery rate, may render the proven and probable mineral reserves unprofitable to develop at a particular property or for a specific mine. Any material reduction in estimates of its mineral reserves or Eldorado's ability to extract these mineral reserves could have a material adverse effect on its future cash flow, results of operations and financial condition.

There are numerous uncertainties inherent in estimating proven and probable mineral reserves and measured, indicated and inferred mineral resources, including many factors beyond Eldorado's control. The estimation of mineral resources and mineral reserves is a subjective process, and the accuracy of any such estimates is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation, which may prove to be unreliable. There can be no assurance that these estimates will be accurate, that mineral reserve and mineral resource figures will be accurate, or that mineral resources or mineral reserves can be mined or processed profitably. Mineral resources that are not mineral reserves do not have demonstrated economic viability. Furthermore, it cannot be assumed that all or any part of the measured mineral resources, indicated mineral resources, or inferred mineral resource will ever be upgraded to a higher category.

Standards for reporting mineralised material

The disclosure in this booklet concerning Eldorado uses terms that comply with reporting standards in Canada and certain estimates are made in accordance with NI 43-101. In addition, the terms '*mineral resource*', '*measured mineral resource*', '*indicated mineral resource*' and '*inferred mineral resource*' are defined in and required to be disclosed by NI 43-101. Investors are cautioned not to assume that all or any part of mineral deposits in these categories will ever be converted into reserves. '*Inferred mineral resources*' have a great amount of uncertainty as to their existence, and as to their economic and legal feasibility. It cannot be assumed that all or any part of the measured mineral resources, indicated mineral resources, or inferred mineral resources will ever be upgraded to a higher category. Under Canadian rules, estimates of inferred mineral resources may not form the basis of feasibility, pre-feasibility studies or other economic studies, except in rare cases.

Accordingly, information within this booklet containing descriptions of Eldorado's mineral deposits may not be comparable to similar information made public by United States companies subject to the reporting and disclosure requirements under the United States federal securities laws and the rules and regulations thereunder.

Eldorado's disclosure of mineral reserve and mineral resource information is governed by NI 43-101 and CIM Standards. Sino Gold's disclosure of mineral reserve and mineral resource information is based on the reporting requirements of the JORC Code. CIM definitions of the terms '*mineral reserve*', '*proven mineral reserve*', '*probable mineral reserve*', '*mineral resource*', '*measured mineral resource*', '*indicated mineral resource*' and '*inferred mineral resource*' are substantially similar to the JORC Code corresponding definitions of the terms '*ore reserve*', '*proved ore reserve*', '*probable ore reserve*', '*mineral resource*', '*measured mineral resource*', '*indicated mineral resource*' and '*inferred mineral resource*', respectively. Estimates of mineral resources and mineral reserves prepared in accordance with the JORC Code would not be materially different if prepared in accordance with the CIM definitions applicable under NI 43-101.

There can be no assurance that those portions of such mineral resources that are not mineral reserves will ultimately be converted into mineral reserves. Mineral resources which are not mineral reserves do not have demonstrated economic viability.

Certain mineral reserve and mineral resource numbers pertaining to Sino Gold have been prepared in accordance with the JORC Code. While the terms '*measured mineral resource*', '*indicated mineral resource*' and '*inferred mineral resource*' are required pursuant to the JORC Code, the SEC does not recognise such terms. JORC standards differ significantly from the requirements of the SEC, and mineral resource information prepared in accordance with the JORC Code is not comparable to similar information regarding mineral reserves disclosed in accordance with the requirements of the SEC.

Fluctuations in the price and availability of energy and other commodities

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants which affect capital and operating costs. The lack of availability on acceptable terms or the delay in the availability of any one or more of these items could prevent or delay exploitation and/or development of Eldorado's projects. If adequate infrastructure is not available in a timely manner, there can be no assurance

6 Potential risk factors

that the exploitation and/or development of Eldorado's projects will be commenced or completed on a timely basis, if at all, or the resulting operations will achieve the anticipated production volume, or the construction costs and ongoing operating costs associated with the exploitation and/or development of its advanced projects will not be higher than anticipated. In addition, unusual or infrequent weather phenomena, sabotage or other interference in the maintenance or provision of such infrastructure could adversely affect Eldorado's operations and profitability.

The profitability of Eldorado's business is affected by the market prices and availability of commodities which are consumed or otherwise used in connection with its operations and development projects, such as diesel fuel, electricity, steel, concrete and cyanide. Prices of such commodities also can be subject to volatile price movements, which can be material and can occur over short periods of time, and are affected by factors that are beyond Eldorado's control. Operations consume significant amounts of energy, and are dependent on suppliers to meet these energy needs. In some cases, no alternative source of energy is available. An increase in the cost, or decrease in the availability, of construction materials such as steel and concrete may affect the timing and cost of its development projects. If the costs of certain commodities consumed or otherwise used in connection with Eldorado's operations and development projects were to increase significantly, and remain at such levels for a substantial period of time, Eldorado may determine that it is not economically feasible to continue commercial production at some or all of its operations or the development of some or all of its projects, which could have a material adverse effect on Eldorado's profitability.

Eldorado's ability to acquire critical resources such as input commodities, drilling equipment, tires and skilled labour, due to increased worldwide demand, may cause unanticipated cost increases and delays in delivery times, thereby impacting operating costs, capital expenditures and production schedules.

Financing risks

Eldorado estimates that its current financial resources will be sufficient to undertake its presently planned exploration and development program. Further exploration on, and development and construction of, Eldorado's mineral resource projects in Brazil, China, Greece and Turkey may require additional capital. In addition, a decision to proceed to production on any development project would require significant capital for project engineering and construction. Accordingly, the continuing development of Eldorado's properties may depend upon its ability to obtain financing through

the joint venturing of projects, debt financing, and equity financing or other means. The ability to obtain such future financing may be affected in the event that Sino Gold's facility with China Construction Bank is called for repayment following completion of the Merger if Eldorado needs to use its cash reserves to repay that facility (see section 3.10). There is no assurance that Eldorado will be successful in obtaining the required financing on terms acceptable to it, if at all.

Foreign currency fluctuations

Eldorado operates in a number of jurisdictions, predominantly Brazil, China, Greece and Turkey, and incurs certain expenses in foreign currencies. Currently, revenue from operations is received in US\$ while a significant portion of Eldorado's operating expenses are incurred in C\$, Euro, Turkish Lira, Brazilian Real and Chinese RMB. In 2008 and since the beginning of 2009, its production costs at Kışladağ and Tanjianshan and a portion of its construction costs and operating expenses have been incurred in Turkish Lira and Chinese RMB, the value of all of which fluctuates and is subject to changes in the respective countries' political and economic conditions. In 2008, Eldorado also incurred certain reclamation costs in Brazilian Real which were subject to such currency exposure.

Eldorado is subject to fluctuations in the rates of currency exchange between US\$ and these currencies, and such fluctuations may materially affect Eldorado's future cash flow, results of operations and financial condition. Consequently, construction, development and other costs may be higher than Eldorado anticipates. Eldorado currently does not hedge against currency exchange risks, although it may do so from time to time in the future.

Carrying value of assets

Eldorado evaluates the carrying value of recorded assets to determine whether current events and circumstances indicate such carrying amount may no longer be recoverable. This evaluation involves a comparison of the estimated fair value of Eldorado's reporting units to their carrying values. Eldorado's fair value estimates are based on numerous assumptions and it is possible that actual fair value could be significantly different from these estimates. In the absence of any mitigating valuation factors, Eldorado's failure to achieve its valuation assumptions or declines in the fair value of its reporting units may, over time, result in impairment charges.

Change in accounting or financial reporting standards

Changes in accounting or financial reporting standards may adversely impact the financial performance reported by Eldorado in the future. In February 2008, the Canadian Accounting Standards Board announced

that IFRS will be applicable to Canadian public entities for financial years beginning on or after 1 January 2011. The first period of IFRS reporting for Eldorado will be for the quarter ending 31 March 2011. Eldorado is in the process of undertaking a project to assess the potential impacts of its transition to IFRS including the detailed determination of accounting policy and disclosure changes that will be required upon transition, as well as a detailed analysis of the application of IFRS 1 'First-time Adoption of International Financial Reporting Standards'.

A description of the nature of identified material differences between Canadian GAAP and IFRS as applicable to the Combined Group has been provided in section 5.3. This should not be considered to be a full adoption of IFRS by Eldorado. The final choice of accounting policies on adoption of IFRS by Eldorado may be different from those used for the purpose of this information, and the provisions of IFRS 1 will have to be reapplied, including the IFRS transition date used, assessment of the optional exemptions available under IFRS 1 as they apply at the date of IFRS transition, and assessment of IFRS standards and interpretations effective as of the reporting date of the first IFRS reporting period, which may be materially different.

Regulatory bodies that promulgate Canadian GAAP and IFRS have significant ongoing projects that could affect the differences between Canadian GAAP and IFRS, and the impact of these differences relative to the Eldorado's financial statements, in the future. Eldorado is continuing to evaluate the impact IFRS will have.

6.3 Risks related to Eldorado's business and operations

Failure to achieve Eldorado's production estimates

Estimates of future production for Eldorado's mining operations as a whole are derived from Eldorado's five-year mining plans (**Mining Plans**). These estimates are subject to change.

Eldorado cannot give any assurance that it will achieve production estimates.

Eldorado's failure to achieve its production estimates could have a material adverse effect on Eldorado's future cash flow, results of operations and financial condition. Eldorado's Mining Plans are developed based on, among other things, mining experience, reserve estimates, assumptions regarding ground conditions and physical characteristics of ores (such as hardness and presence or absence of certain metallurgical characteristics) and estimated rates and costs of production. Actual production may vary from estimates for a variety of reasons, including risks and hazards of the types discussed above, and as set out below:

- actual ore mined varying from estimates in grade, tonnage and metallurgical and other characteristics;
- mining dilution;
- mining risks, including pit wall failures and cave-ins and other accidents;
- industrial accidents;
- equipment failures;
- natural phenomena such as inclement weather conditions, floods, blizzards, droughts, rock slides and earthquakes;
- encountering unusual or unexpected geological conditions;
- changes in power costs and potential power shortages;
- shortages of principal supplies needed for operation, including explosives fuels, chemical reagents, water, equipment parts and lubricants;
- litigation;
- strikes and other actions by labour at unionised locations; and
- restrictions imposed by government agencies.

Such occurrences could result in damage to mineral properties, interruptions in production, injury or death to persons, damage to its property or the property of others, monetary losses and legal liabilities. Additionally, these factors may cause a mineral deposit that has been mined profitably in the past to become unprofitable. Estimates of production from properties not yet in production or from operations that are to be expanded are based on similar factors (including, in some instances, feasibility studies prepared by Eldorado's personnel and/or third party consultants), but it is possible that actual cash operating costs and economic returns will differ significantly from those currently estimated. It is not unusual in new mining operations to experience unexpected problems during the start-up phase. Delays often can occur in the commencement of production.

Regulatory requirements risks

Eldorado conducts operations in a number of jurisdictions, predominantly Brazil, China, Greece and Turkey. The laws in each of these countries differ significantly and may change. Mining operations and development and exploration activities are subject to extensive laws and regulations governing prospecting, development, production, exports, taxes, labour standards, occupational health, waste disposal, environmental protection and remediation, protection of endangered and protected species, mine safety, toxic substances and other matters.

6 Potential risk factors

Mining is subject to potential risks and liabilities associated with pollution of the environment and the disposal of waste products occurring as a result of mineral exploration and production. The costs of discovering, evaluating, planning, designing, developing, constructing, operating and closing Eldorado's mines and other facilities in compliance with such laws and regulations are significant.

Failure to comply with applicable laws and regulations may result in enforcement actions and include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in mining operations (including Eldorado) may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

New laws and regulations, amendments to existing laws and regulations, administrative interpretation of existing laws and regulations, or more stringent enforcement of existing laws and regulations, whether in response to changes in the political or social environment in which Eldorado operates or otherwise, could have a material adverse effect on Eldorado's future cash flow, results of operations and financial condition.

Additional risks related to foreign investment

The majority of Eldorado's activities and investments are located in foreign countries. Eldorado's foreign investments include operations and exploration and development projects in Brazil, China, Greece and Turkey.

These investments are subject to the risks normally associated with conducting business in foreign countries. Some of these risks are more prevalent in countries that are less developed or have emerging economies, including uncertain political and economic environments, as well as risks of war and civil disturbances or other risks that may limit or disrupt a project, restrict the movement of funds or result in the deprivation of contractual rights or the taking of property by nationalisation or appropriation without fair compensation, risk of adverse changes in laws or policies of particular countries, increases in foreign taxation, delays in obtaining or the inability to obtain necessary governmental permits, limitations on ownership and repatriation of earnings, foreign exchange controls and currency devaluations. In addition, Eldorado may face import and export regulations, including restrictions on the export of gold, disadvantages of competing against companies from countries that are not subject to Canadian, United States and Australian laws, including the laws relating to

foreign corrupt practices, restrictions on the ability to pay dividends offshore, and risk of loss due to disease and other potential endemic health issues. Although Eldorado is not currently experiencing any significant or extraordinary problems in foreign countries arising from such risks, there can be no assurance that such problems will not arise in the future.

In the countries where Eldorado has operations or conducts exploration activities, the mineral rights or certain portions of such rights are owned by the relevant governments. Such governments have entered into contracts with Eldorado and its subsidiaries, or granted permits or concessions that enable it to conduct operations or development and exploration activities on such lands. Notwithstanding such arrangements, Eldorado's ability to conduct its operations or development and exploration activities on such lands is subject to changes in government policy over which Eldorado has no control. If such a change were to occur that affected Eldorado's rights or the rights of any of its subsidiaries to conduct operations or development and exploration activities, it could have a material adverse effect on the results of Eldorado's operations.

For example, Tanjianshan is located in China. The Chinese government plays a significant role in regulating the mining industry by implementing industrial policies. It also exercises significant control over China's economic growth through the allocation of resources, control of foreign currency denominated obligations and provisions in its Foreign Investment Guidelines for Foreign Investment. Furthermore, the Chinese economy has experienced significant growth in the past 20 years. Such growth has been uneven both geographically and among various sectors of the economy. The Chinese government has implemented various measures from time to time to control the rate of economic growth and may implement similar measures in the future. These measures may have a material adverse effect on the results of Eldorado's operations.

Companies with a foreign ownership component operating in China may be required to work within a framework that is different from that imposed on domestic Chinese companies. The Chinese government currently allows foreign investment in certain mining projects under central government guidelines. Changes in these guidelines may have a material adverse effect on the results of Eldorado's operations.

In addition, in China, the exporting of gold requires certain approvals. There is no assurance that such approvals can be obtained. Hence, most gold producers in China sell their gold through the Shanghai Gold Exchange. Currently the Shanghai Gold Exchange

serves as a spot market of gold for its members and gold is traded through it at market price. There is no assurance that the prices at which gold is traded through the Shanghai Gold Exchange will continue to reflect international market prices.

Furthermore, foreign exchange transactions in China (including the repatriation of investment returns and capital) continue to be subject to foreign exchange controls. Currently, Eldorado may repatriate its profits and dividends in foreign currency but may not repatriate its capital except with the approval of the Chinese State Administration of Foreign Exchange.

It should be noted that Sino Gold securityholders currently have this exposure to China.

Exploration and mining permits and licences

All mineral resources in most of the countries where Eldorado operates are owned by their respective governments, and mineral exploration and mining activities may only be conducted by entities that have obtained or renewed exploration or mining permits and licences in accordance with the relevant mining laws and regulations. No guarantee can be given that the necessary exploration and mining permits and licences will be issued to Eldorado or, if they are issued, that they will be renewed, or that Eldorado will be in a position to comply with all conditions that are imposed.

Nearly all mining projects require government approval. There can be no certainty that these approvals will be granted to Eldorado in a timely manner, or at all.

Joint venture risks

Mining projects are often conducted through unincorporated joint ventures or incorporated joint venture companies. Joint ventures can often require unanimous approval of the parties to the joint venture or their representatives for certain fundamental decisions such as an increase or reduction of registered capital, merger, division, dissolution, amendment of the constituting documents, and the pledge of the joint venture assets, which means that each joint venture party may have a veto right with respect to such decisions, which could lead to a deadlock.

In particular, Eldorado's interest in Tanjianshan is through a joint venture company established under and governed by the laws of China. Eldorado's joint venture partners in China are state-sector entities and, like other state-sector entities, their actions and priorities may be dictated by government policies, instead of purely commercial considerations. Provided that the Schemes are implemented, three of the four operating mines of the Combined Group will be operated pursuant to such joint ventures. Currently, all of Sino Gold's operating mines are operating pursuant to such joint ventures.

Exploration risk

Gold exploration is highly speculative in nature, involves many risks and frequently is not productive. There can be no assurance that Eldorado's gold exploration efforts will be successful. Success in increasing mineral reserves is a result of a number of factors, including the quality of Eldorado's management and its level of geological and technical expertise, the quality of land available for exploration and other factors. Once gold mineralisation is discovered, it may take several years in the initial phases of drilling until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish proven and probable mineral reserves through drilling, to determine the optimal metallurgical process to extract the metals from the ore and, in the case of new properties, to construct mining and processing facilities. As a result of these uncertainties, no assurance can be given that Eldorado's exploration programs will result in the expansion or replacement of current mineral reserves with new mineral reserves.

Development project risks

Mine development projects, including Eldorado's development at Efemçukuru, typically require a number of years and significant expenditures during the development phase before production is possible.

Development projects are subject to the completion of successful feasibility studies and environmental assessments, issuance of necessary governmental permits and receipt of adequate financing. The economic feasibility of development projects is based on many factors, such as:

- estimation of mineral reserves;
- anticipated metallurgical recoveries;
- environmental considerations and permitting;
- future gold prices; and
- anticipated capital and operating costs of such projects.

Eldorado's development projects have no operating history upon which to base estimates of future cash operating costs. Particularly for development projects, estimates of proven and probable mineral reserves and cash operating costs are, to a large extent, based upon the interpretation of geologic data obtained from drill holes and other sampling techniques, and feasibility studies that derive estimates of cash operating costs based upon anticipated tonnage and grades of ore to be mined and processed, the configuration of the ore body, expected recovery rates of gold from the ore, estimated operating costs, anticipated climatic conditions and other factors. As a result, it is possible that actual cash operating costs and economic returns will differ significantly from those currently estimated for a project prior to production.

6 Potential risk factors

Any of the following events, among others, could affect the profitability or economic feasibility of a project:

- unanticipated changes in grade and tonnage of ore to be mined and processed;
- unanticipated adverse geotechnical conditions;
- incorrect data on which engineering assumptions are made;
- costs of constructing and operating a mine in a specific environment;
- availability of labour;
- availability and costs of processing and refining facilities;
- availability of economic sources of power;
- adequacy of water supply;
- availability of surface tenure on which to locate processing and refining facilities;
- adequate access to the site, including competing land uses (such as agriculture and illegal mining);
- unanticipated transportation costs;
- government regulations (including regulations with respect to prices, royalties, duties, taxes, permitting, restrictions on production, quotas on exportation of minerals, as well as the costs of protection of the environment and agricultural lands);
- fluctuations in gold prices; and
- accidents, labour actions and force majeure events.

It is not unusual in new mining operations to experience unexpected problems during the start-up phase, and delays can often occur at the start of production. In the past, Eldorado has adjusted its estimates based on changes to its assumptions and actual results.

Replacement and expansion of mineral reserves risk

Because mines have limited lives based on proven and probable mineral reserves, Eldorado must continually replace and expand its mineral reserves and any necessary surface rights as its mines produce gold. Eldorado's ability to maintain or increase its annual production of gold will depend in significant part on its mining operations at Kışladağ and Tanjianshan and development of Efemçukuru; its ability to expand existing operations through successful exploration; and its ability to develop new projects and undertake acquisitions.

Risks and hazards that may materially affect Eldorado's operations

Eldorado's operations are subject to a number of risks and hazards including:

- environmental hazards;
- discharge of pollutants or hazardous chemicals;
- industrial accidents;
- failure of processing and mining equipment;
- labour disputes;
- supply problems and delays;
- changes in the regulatory environment;
- encountering unusual or unexpected geologic formations or other geological or grade problems;
- unanticipated changes in metallurgical characteristics and gold recovery;
- encountering unanticipated ground or water conditions;
- cave-ins, pit wall failures, flooding, rock bursts and fire;
- periodic interruptions due to inclement or hazardous weather conditions; and
- other acts of God or unfavourable operating conditions and bullion losses.

Such risks could result in damage to, or destruction of, mineral properties or processing facilities, personal injury or death, loss of key employees, environmental damage, delays in mining, monetary losses and possible legal liability. Satisfying such liabilities may be very costly and could have a material adverse effect on Eldorado's future cash flow, results of operations and financial condition.

From time to time Eldorado may engage the services of contractors and subcontractors in connection with its production activities. There is a risk that if any such contractors or subcontractors become insolvent, this could adversely affect Eldorado's production activities.

Environmental hazards and risks

Environmental hazards, currently unknown to Eldorado, may exist on or adjacent to its projects. Eldorado may be liable for losses associated with such hazards, or may be forced to undertake extensive remedial clean-up action or to pay for governmental remedial clean-up actions, even in cases where such hazards have been caused by previous or existing owners or operators of project land, or by past or present owners of adjacent properties or natural conditions. The costs of such clean-up actions may have a material adverse impact on Eldorado's operations and profitability.

Impact associated with various laws (including environmental, health and safety laws)

Eldorado's activities are subject to extensive federal, provincial, state and local laws and regulations governing environmental protection and employee health and safety. Eldorado must obtain governmental permits and provide associated financial assurance to carry on certain activities. Eldorado is also subject to various reclamation related conditions imposed under federal, state or provincial air, water quality and mine reclamation rules and permits.

While Eldorado has budgeted for future capital and operating expenditures to maintain compliance with environmental, health and safety laws, any future changes to these laws could adversely affect Eldorado's financial condition, liquidity or results of operations.

Failure to comply with applicable environmental, health and safety laws can result in injunctions, damages, suspension or revocation of permits and imposition of penalties. There can be no assurance that Eldorado has been or will be at all times in complete compliance with such laws or permits, that its compliance will not be challenged or that the costs of complying with current and future environmental, health and safety laws and permits will not materially or adversely affect Eldorado's future cash flow, results of operations and financial condition.

Insurance risk

Where considered practical to do so, Eldorado maintains insurance against risks in the operation of its business in amounts that it believes to be reasonable. Such insurance, however, contains exclusions and limitations on coverage. Eldorado cannot provide any assurance that such insurance will continue to be available, will be available at economically acceptable premiums or will be adequate to cover any resulting liability. In some cases, coverage is not available or is considered too expensive relative to the perceived risk.

Competition risk

Eldorado operates in a competitive industry and competes with other more well-established companies which have greater financial resources than it does. Eldorado faces strong competition from other mining companies in connection with the acquisition of properties producing, or capable of producing, base and precious metals. Many of these companies have greater financial resources, operational experience and technical capabilities than Eldorado. As a result of this competition, Eldorado may be unable to maintain or acquire attractive mining properties on terms that it considers acceptable, or at all. Consequently, Eldorado's revenues, operations and financial condition could be materially adversely affected.

Key personnel risk

Eldorado depends on a number of key personnel, including Paul N. Wright, its President and Chief Executive Officer; Norman S. Pitcher, its Chief Operating Officer; and Earl W. Price, its Chief Financial Officer. The loss of any one of these personnel could have an adverse effect on Eldorado's operations. Eldorado has employment contracts with each of these key personnel. Eldorado does not have key man life insurance.

Eldorado's ability to manage growth effectively requires Eldorado to continue to implement and improve its management systems and to recruit and train new employees. Although Eldorado has done so in the past and expects to do so in the future, it cannot assure that it will be successful in attracting and retraining skilled and experienced personnel.

Employee relations risk

Eldorado is dependent on its workforce to extract and process minerals. Eldorado has programs to recruit and train the necessary manpower for its operations and endeavours to maintain good relations with its workforce in order to minimise the possibility of strikes, lockouts and other stoppages at its work sites. A prolonged labour disruption at any of Eldorado's projects could have a material adverse impact on its operations as a whole.

Mineral title risk

While Eldorado has investigated title to all of its mineral properties and, to the best of its knowledge, title to all of its properties is in good standing, the properties may be subject to prior unregistered agreements or transfers, and title may be affected by undetected defects. There may be valid challenges to the title of Eldorado's properties, which, if successful, could impair development and/or operations. Eldorado cannot give any assurance that title to its properties will not be challenged.

Litigation risk

All industries, including the mining industry, are subject to legal claims, with and without merit. In addition to the litigation in Turkey as described in section 4.3, Eldorado is also involved in various routine legal and regulatory proceedings. Eldorado believes it is unlikely that the final outcome of these legal or regulatory proceedings will have a material adverse effect on its financial condition or results of operations. However, defence and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process and dealings with the regulatory bodies, there can be no assurance that the resolution of any particular legal or regulatory proceeding will not have a material adverse effect on Eldorado's future cash flow, results of operations or financial condition.

6 Potential risk factors

Risks related to community action

All industries, including the mining industry, are subject to community actions. In recent years, communities and non-governmental organisations have become more vocal and active with respect to mining activities at or near their communities. These parties may take actions such as road blockades, applications for injunctions seeking work stoppage and lawsuits for damages. These actions can relate not only to current activities, but also in respect of decades-old mining activities by prior owners of subject mining properties.

Risks relating to the global economy

Recent market events and conditions, including disruptions in the international credit markets and other financial systems and the deterioration of global economic conditions, could impede Eldorado's access to capital or increase the cost of capital. In recent years, the global credit markets experienced serious disruption due to a deterioration in residential property values, defaults and delinquencies in the residential mortgage market and a decline in the credit quality of mortgage backed securities. These problems led to a slowdown in residential housing market transactions, declining housing prices, delinquencies in non-mortgage consumer credit and general decline in consumer confidence. These conditions worsened in 2008 and are continuing in 2009, causing a loss of confidence in the broader global credit and financial markets and resulting in the collapse of, and government intervention in, major banks, financial institutions and insurers and creating a climate of greater volatility, less liquidity, widening of credit spreads, a lack of price transparency, increased credit losses and tighter credit conditions. Notwithstanding various actions by governments, concerns about the general condition of the capital markets, financial instruments, banks, investment banks, insurers and other financial institutions caused the broader credit markets to deteriorate and stock markets to decline.

These unprecedented disruptions in the current credit and financial markets have had a significant material adverse impact on a number of financial institutions and have limited access to capital and credit for many companies. These disruptions could, among other things, make it more difficult for Eldorado to obtain, or increase the cost of obtaining, capital and financing for its operations. Failure to raise capital when needed or on reasonable terms may have a material adverse effect on Eldorado's business, financial condition and results of operations.

Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. If such increased levels of volatility and market turmoil continue, Eldorado's operations could be adversely impacted and the trading price of Eldorado shares may be adversely affected.

Eldorado is also exposed to liquidity risks in meeting its operating and capital expenditure requirements in instances where cash positions are unable to be maintained or appropriate financing is unavailable. These factors may impact Eldorado's ability to obtain loans and other credit facilities in the future and, if obtained, on terms favourable to it. If these increased levels of volatility and market turmoil continue, Eldorado's operations could be adversely impacted and the trading price of Eldorado shares could be adversely affected.

As a result of current global financial conditions, numerous financial institutions have gone into bankruptcy or have been rescued by government authorities. As such, Eldorado is subject to the risk of loss of its deposits with financial institutions that hold Eldorado's cash.

6.4 Risks related to acquisitions

Risks inherent in acquisitions that Eldorado may undertake could adversely affect its growth and financial condition

Eldorado is actively pursuing the acquisition of advanced exploration, development and production assets consistent with its acquisition and growth strategy. From time to time, Eldorado may also acquire securities of, or other interests in, companies with respect to which it may enter into acquisitions or other transactions. Acquisition transactions involve inherent risks, including:

- accurately assessing the value, strengths, weaknesses, contingent and other liabilities, and potential profitability of acquisition candidates;
- ability to achieve identified and anticipated operating and financial synergies;
- unanticipated costs;
- diversion of management attention from existing business;
- potential loss of its key employees or the key employees of any business it acquires;
- unanticipated changes in business, industry or general economic conditions that affect the assumptions underlying the acquisition; and
- decline in the value of acquired properties, companies or securities.

Any one or more of these factors or other risks could cause Eldorado not to realise the benefits anticipated to result from the acquisition of properties or companies, and could have a material adverse effect on its ability to grow and on its financial condition.

Eldorado cannot give any assurance that it will successfully identify and complete an acquisition transaction and, if completed, that the business acquired will be successfully integrated into its operations

While Eldorado continues to seek acquisition opportunities consistent with its acquisition and growth strategy, Eldorado cannot be certain that it will be able to identify additional suitable acquisition candidates available for sale at reasonable prices, to consummate any acquisition or to integrate any acquired business into its operations successfully. Acquisitions may involve a number of special risks, circumstances or legal liabilities. These and other risks related to acquiring and operating acquired properties and companies could have a material adverse effect on Eldorado's results of operations and financial condition. In addition, to acquire properties and companies, Eldorado would use available cash, incur debt, issue Eldorado shares or other securities, or a combination of any one or more of these. This could limit Eldorado's flexibility to raise capital, to operate, explore and develop its properties and to make additional acquisitions, and could further dilute and decrease the trading price of the Eldorado shares. When evaluating an acquisition opportunity, Eldorado cannot be certain that it will have correctly identified and managed the risks and costs inherent in the business that it is acquiring.

From time to time, Eldorado engages in discussions and activities with respect to possible acquisitions. At any given time, discussions and activities can be in process on a number of initiatives, each at a different stage of development. Eldorado can provide no assurance that any potential transaction will be successfully completed, and, if completed, that the business acquired will be successfully integrated into its operations. If Eldorado fails to manage its acquisition and growth strategy successfully, it could have a material adverse effect on its business, results of operations and financial condition.

There may be no right for shareholders to evaluate the merits or risks of any future acquisition undertaken by Eldorado

There may be no right for Eldorado's shareholders to evaluate the merits or risks of any future acquisition undertaken by Eldorado except as required by applicable laws and stock exchange rules.

6.5 Risks related to Eldorado shares and Eldorado CDIs

Dilution

Eldorado may require additional funds to fund its exploration and development programs and potential acquisitions. If Eldorado raises additional funding by issuing additional equity securities, such financing may substantially dilute the interests of Eldorado shareholders.

Furthermore, future Eldorado agreements may, and a number of Eldorado's existing agreements do, provide for additional issuances of Eldorado shares that may result in dilution to shareholders.

Issuances of substantial amounts of Eldorado's securities, or the availability of such securities for sale, could adversely affect the prevailing market prices for Eldorado's securities. A decline in the market prices of Eldorado's securities could impair Eldorado's ability to raise additional capital through the sale of securities should it desire to do so.

Eldorado shares may experience price and volume fluctuations

In recent years, the securities markets have experienced a high level of price and volume volatility, and the market price of securities of many companies have experienced wide fluctuations which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that such fluctuations will not affect the price of Eldorado's securities.

In the past, following periods of volatility in the market price of a company's securities, shareholders have often instituted class action securities litigation against those companies. Such litigation, if instituted, could result in substantial costs and diversion of management attention and resources, which could significantly harm Eldorado's profitability and reputation.

Eldorado CDIs may trade at a discount

The number of Eldorado CDIs listed on ASX will be less than the number of Eldorado shares listed on TSX and NYSE.¹ This is because the maximum number of Eldorado shares that are expected to be issued under the Schemes is 139,690,700 and there is no certainty as to what proportion of these Eldorado shares will be issued in the form of Eldorado CDIs, as this will depend on the number of people who elect to receive Eldorado shares instead of Eldorado CDIs and the number of elections that are made under the Sale Facility and on the size of the holdings of Ineligible Foreign Securityholders.

Note:

1 As at 23 October 2009, 400,165,675 Eldorado shares were listed on TSX and NYSE.

6 Potential risk factors

It is therefore likely that the market for Eldorado CDIs will be less liquid than the market for Eldorado shares on TSX and NYSE. This may have the effect of reducing the volume of Eldorado CDIs that can be bought and sold on ASX and the speed with which they can be bought and sold. This reduced liquidity may also result in Eldorado CDIs trading at a discount to Eldorado shares on TSX and NYSE. However, as mentioned in section 8.4, a holder of Eldorado CDIs can convert their Eldorado CDIs into Eldorado shares tradeable on TSX and NYSE, should the holder wish to access the market in Eldorado shares on TSX and NYSE.

Eldorado does not expect to pay dividends on Eldorado shares in the foreseeable future

Eldorado has never paid cash dividends on Eldorado shares. Eldorado currently intends to retain its future earnings, if any, to fund the development and growth of its business, and does not anticipate paying any cash dividends on Eldorado shares for the foreseeable future. As a result, shareholders will have to rely on capital appreciation, if any, to earn a return on investment in Eldorado shares in the foreseeable future. Furthermore, Eldorado may in the future become subject to contractual restrictions on, or prohibitions against, the payment of dividends.

Eldorado follows corporate governance requirements of Canadian corporate and securities laws

Non-Canadian residents who acquire Eldorado shares or Eldorado CDIs under the Schemes should be aware that Eldorado follows the corporate governance requirements of applicable Canadian corporate and securities laws, which may differ from corporate governance requirements under laws applicable in their place of residence. In addition, although Eldorado substantially complies with the corporate governance guidelines of NYSE, Eldorado has obtained certain exemptions from NYSE in deference to Eldorado's home-country jurisdiction corporate governance requirements.

In addition, Eldorado may from time to time seek other relief from NYSE corporate governance requirements on specific transactions.

Eldorado may fail to achieve and maintain the adequacy of internal control over financial reporting as per the requirements of the Sarbanes-Oxley Act

Eldorado has documented and tested, during its most recently ended fiscal year, its internal control procedures, in order to satisfy the requirements of Section 404 of the Sarbanes-Oxley Act (SOX). SOX requires an annual assessment by management and an independent assessment by Eldorado's independent auditors of the effectiveness of its internal control over financial reporting. Eldorado may fail to achieve

and maintain the adequacy of its internal control over financial reporting as such standards are modified, supplemented, or amended from time to time, and Eldorado may not be able to ensure that it can conclude on an ongoing basis that it has effective internal controls over financial reporting in accordance with Section 404 of SOX. Eldorado's failure to satisfy the requirements of Section 404 of SOX on an ongoing, timely basis could result in the loss of investor confidence in the reliability of Eldorado's financial statements, which in turn could harm Eldorado's business and negatively impact the trading price of the Eldorado shares or market value of Eldorado's other securities. In addition, any failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm Eldorado's operating results or cause Eldorado to fail to meet its reporting obligations. There can be no assurance that Eldorado will be able to remediate material weaknesses, if any, identified in future periods, or maintain all of the controls necessary for continued compliance, and there can be no assurance that Eldorado will be able to retain sufficient skilled finance and accounting personnel, especially in light of the increased demand for such personnel among publicly traded companies. Future acquisitions of companies may provide Eldorado with challenges in implementing the required processes, procedures and controls in the acquired operations. Acquired companies may not have disclosure controls and procedures or internal control over financial reporting that are as thorough or effective as those required by securities laws currently applicable to Eldorado.

No evaluation can provide complete assurance that Eldorado's internal control over financial reporting will detect or uncover all failures of persons within Eldorado to disclose material information otherwise required to be reported. The effectiveness of Eldorado controls and procedures could also be limited by simple errors or faulty judgements. In addition, as Eldorado continues to expand, the challenges involved in implementing appropriate internal controls over financial reporting will increase and will require that Eldorado continues to improve its internal controls over financial reporting. Although Eldorado intends to devote substantial time and incur costs, as necessary, to ensure ongoing compliance, Eldorado cannot be certain that it will be successful in complying with Section 404.

6.6 Risks relating to the Combined Group Issue of Eldorado shares and Eldorado CDIs as consideration

The Scheme Consideration that is proposed to be issued to Sino Gold securityholders consists of a specified number of Eldorado shares or Eldorado CDIs, rather than a number of Eldorado shares or Eldorado CDIs with a specified market value.

As a result, the value of the Scheme Consideration will fluctuate depending upon the market value of Eldorado shares or Eldorado CDIs.

Under the Scheme, Eldorado will issue a significant number of Eldorado shares. Some Sino Gold securityholders may not intend to continue to hold their Eldorado shares or Eldorado CDIs and may wish to sell them. There is a risk that if a significant number of Sino Gold securityholders seek to sell their Eldorado shares or Eldorado CDIs, including under the Sale Facility, this may adversely impact the price of Eldorado shares or Eldorado CDIs.

Integration risks

There are risks that any integration between the businesses of Eldorado and Sino Gold may take longer than expected and that anticipated efficiencies and benefits of that integration may be less than estimated. These risks include possible differences in the management culture of the two groups and the potential loss of key personnel.

Acceleration and repayment of Sino Gold long-term debt

If the China Construction Bank, being the lender to Sino Gold in respect of a number of financing facilities, calls such debts by reason of the change in control of Sino Gold resulting from the implementation of the Scheme and Eldorado does not have a new credit facility in place to replace the existing facilities and accordingly Eldorado repays the debt from its cash reserves, then such depletion of Eldorado's cash reserves may result in a change or delay in implementing Eldorado's short- and long-term plans.

Risk factors relating to the operations of the Combined Group

The Combined Group may not realise the benefits currently anticipated due to challenges associated with integrating the operations, technologies and personnel of Eldorado and Sino Gold

The success of the Combined Group will depend in large part on the success of management of the Combined Group in integrating the operations, technologies and personnel of Eldorado and Sino Gold after the Effective Date. The failure of the Combined Group to achieve such integration could result in the failure of the Combined Group to realise any of the anticipated benefits of the Merger and could impair the results of operations, profitability and financial results of the Combined Group.

In addition, the overall integration of the operations, technologies and personnel of Eldorado and Sino Gold into the Combined Group may result in unanticipated operational problems, expenses, liabilities and diversion of management's attention.

The Combined Group may not realise the benefits of its growth projects

As part of its strategy, the Combined Group will continue existing efforts and initiate new efforts to develop new mineral projects and will have a larger number of such projects as a result of the Merger. There are a number of risks and uncertainties that are associated with the development of these types of projects as described above. The failure to develop one or more of these initiatives successfully could have an adverse effect on the Combined Group's financial position and results of operations.

The Combined Group may not meet key production and cost estimates

A decrease in the amount of, or a change in the timing of the production outlook for, or in the prices realised for, gold of the Combined Group will directly affect the amount and timing of the Combined Group's cash flow from operations. The actual effect of such a decrease on the Combined Group's cash flow from operations would depend on the timing of any changes in production and on actual prices and costs. Any change in the timing of these projected cash flows that would occur due to production shortfalls or other factors described above would, in turn, result in delays in receipt of such cash flows and in using such cash to fund capital expenditures, including capital for the Combined Group's development projects, in the future. Any such financing requirements could adversely affect the Combined Group's ability to access capital markets in the future to meet any external financing requirements or increase its debt financing costs.

The level of production and capital and operating cost estimates relating to development projects, which are used in establishing mineral reserve estimates for determining and obtaining financing and other purposes, are based on certain assumptions and are inherently subject to significant uncertainty as described above. It is very likely that actual results for the Combined Group's projects will differ from current estimates and assumptions, and these differences may be material. In addition, experience from actual mining or processing operations may identify new or unexpected conditions which could reduce production below, or increase capital or operating costs above, current estimates. If actual results are less favourable than currently estimated, the Combined Group's business, results of operations, financial condition and liquidity could be materially adversely affected.

6 Potential risk factors

The Combined Group will be subject to significant capital requirements associated with its expanded operations and its expanded portfolio of development projects

The Combined Group must generate sufficient internal cash flow or be able to utilise available financing sources to finance its growth and sustain capital requirements. If the Combined Group does not realise satisfactory prices for gold that it will produce, it could be required to raise significant additional capital through equity financings in the capital markets or to incur significant borrowings through debt financings to meet its capital requirements. If these financings are required, the Combined Group's cost of raising capital in the future may be adversely affected. In addition, if the Combined Group is required to make significant interest and principal payments resulting from a debt financing, the Combined Group's financial condition and ability to raise additional funds may be adversely impacted. Any significant delay in completing its development projects or in achieving commercial production from them on a consistent basis, or the incurring of capital costs that are significantly higher than estimated, could have a significant adverse effect on the Combined Group's results of operations, cash flow from operations and financial condition.

The Combined Group will be subject to a broad range of laws and regulations in the jurisdictions in which it operates

As noted above, Eldorado is currently subject to a broad range of laws and regulations in each jurisdiction in which it operates, which laws and regulations will apply to the Combined Group after the Effective Date. The costs of complying with these laws and regulations may be significant. In addition, these standards can create the risk of substantial liabilities, including liabilities associated with divested assets and past activities, and cannot be predicted with certainty.

Other risks

All of the risks detailed in this section also apply to the Combined Group

Additional risks and uncertainties not currently known to Eldorado may also have a material adverse effect on Eldorado's business and that of the Combined Group and the information set out above does not purport to be, nor should it be construed as representing, an exhaustive list of the risks affecting Eldorado or the Combined Group.

Information about the Merger and the Schemes

7

7 Information about the Merger and the Schemes

7.1 The Merger

On 26 August 2009, Sino Gold and Eldorado announced the Merger to be implemented through schemes of arrangement comprising:

- the Share Scheme between Sino Gold and Sino Gold shareholders (other than Eldorado); and
- the Option Scheme between Sino Gold and Sino Gold optionholders.

Sino Gold and Eldorado also signed the Scheme Implementation Deed on that date.

A scheme of arrangement is a court-administered legal procedure commonly used in Australia to implement mergers. It is an arrangement between a company and either its shareholders (or a class of shareholders) or its creditors (or a class of creditors). Sino Gold optionholders are considered creditors of Sino Gold for the purposes of the Option Scheme.

7.2 Scheme Implementation Deed

The Scheme Implementation Deed sets out each of Sino Gold's and Eldorado's rights and obligations in connection with the implementation of the Merger.

Certain key terms of the Scheme Implementation Deed are discussed in this section, including terms relating to Conditions Precedent to the Schemes (see section 7.17), the End Date (see section 7.18), Sino Gold's obligations to deal with Eldorado on an exclusive basis (see section 7.19), break fees (see section 7.20) and termination rights (see section 7.21).

See annexure C for a copy of the Scheme Implementation Deed (as amended).

7.3 Information concerning the Share Scheme Legal effect

If the Share Scheme becomes Effective (i.e. after it is approved by Sino Gold shareholders and the Court), all Sino Gold shares outstanding at 5.00pm¹ on the Record Date, and not already owned by Eldorado or another Excluded Shareholder, will be transferred to Eldorado Pacific, a wholly owned subsidiary of Eldorado, in return for the issue by Eldorado of the Share Scheme Consideration to Sino Gold shareholders.

See annexure E for a copy of the Share Scheme.

Share Scheme Deed Poll

On 28 October 2009, Eldorado and Eldorado Pacific executed the Share Scheme Deed Poll pursuant to which they agree, subject to the Share Scheme becoming Effective, to provide each Sino Gold shareholder the Share Scheme Consideration to which it is entitled under the Share Scheme.

See annexure D for a copy of the Share Scheme Deed Poll.

Share Scheme Consideration

The Share Scheme Consideration comprises 0.55 Eldorado shares in the form of Eldorado CDIs for every Sino Gold share held at 5.00pm¹ on the Record Date, with the total Share Scheme Consideration for any Sino Gold shareholder rounded down to the nearest whole number (i.e. fractional entitlements are eliminated).

By default, the Share Scheme Consideration will be issued in the form of Eldorado CDIs to be quoted on ASX. However, you may elect to receive directly Eldorado shares to be listed on TSX and NYSE instead. (See section 8.4 for information about the election process and CDIs.)

If you are a Retail Securityholder under the Share Scheme (i.e. any Sino Gold shareholder who is entitled to receive 55,000 or less Eldorado CDIs under the Share Scheme) at 5.00pm¹ on the Record Date, you may elect to participate in the Sale Facility. If you make this election, you will receive a pro rata share of the net proceeds converted into Australian dollars from the on-market sale of all Eldorado shares by the Sale Agent through the Sale Facility, rather than receive Eldorado CDIs or Eldorado shares under the Share Scheme. (See section 8.5.)

Ineligible Foreign Securityholders will not receive Eldorado CDIs or Eldorado shares under the Share Scheme but will instead automatically participate in the Sale Facility. (See sections 8.5 and 8.6.)

Share Scheme Meeting

On 28 October 2009, the Court ordered that Sino Gold convene the Share Scheme Meeting at the Hilton Sydney, Level 2, Function Room 3, 488 George Street, Sydney, Australia on Wednesday, 2 December 2009, commencing at 10.00am for the purpose of Sino Gold shareholders considering and, if thought fit, agreeing to the Share Scheme.

Sino Gold shareholders who are registered on the Sino Gold Share Register at 5.00pm¹ on Monday, 30 November 2009, may attend and vote at the Share Scheme Meeting.

Voting at the Share Scheme Meeting will be by poll.

See annexure F for a copy of the notice of Share Scheme Meeting and its explanatory notes. The explanatory notes include information on attendance and how to vote. This information is also summarised in the earlier section entitled '*Scheme Meeting details and how to vote*'. You should also refer to the yellow Proxy Form for the Share Scheme Meeting that accompanied this booklet. If you did not receive a yellow Proxy Form

Note:

1 2.00pm Hong Kong time.

or need a new one, contact the Sino Gold Scheme Registry (see contact details on the inside back cover of this booklet).

Before the Share Scheme can become Effective, it must be approved at the Share Scheme Meeting by:

- a majority in number of eligible Sino Gold shareholders who vote at the meeting; and
- at least 75% of the total number of votes cast by eligible Sino Gold shareholders at the meeting.

Warranty by Sino Gold shareholders

The Share Scheme provides that each Sino Gold shareholder at 5.00pm¹ on the Record Date is taken to have warranted to Sino Gold, Eldorado and Eldorado Pacific, and appointed and authorised Sino Gold as its attorney and agent to warrant to Eldorado and Eldorado Pacific, that:

- all their Sino Gold shares (including any entitlements and rights attaching to those shares) which are transferred under the Share Scheme will, at the date of transfer, be fully paid and free from all mortgages, charges, liens, encumbrances and interests of third parties of any kind, legal or otherwise, and restrictions on transfer of any kind; and
- they have full power and capacity to transfer their Sino Gold shares to Eldorado Pacific together with any rights attaching to those shares.

7.4 Information concerning the Option Scheme

Legal effect

If the Option Scheme becomes Effective (i.e. after it is approved by Sino Gold optionholders and the Court), all Sino Gold options outstanding at 5.00pm¹ on the Record Date will be cancelled in return for the issue by Eldorado of the Option Scheme Consideration to Sino Gold optionholders.

See annexure H for a copy of the Option Scheme.

Option Scheme Deed Poll

On 28 October 2009, Eldorado and Eldorado Pacific executed the Option Scheme Deed Poll pursuant to which they agree, subject to the Option Scheme becoming Effective, to provide each Sino Gold optionholder the Option Scheme Consideration to which it is entitled under the Option Scheme.

See annexure G for a copy of the Option Scheme Deed Poll.

Option Scheme Consideration

The Option Scheme Consideration comprises a certain number of Eldorado shares in the form of Eldorado CDIs to be calculated based on the number and type of Sino Gold options held at 5.00pm¹ on the Record Date with the total Option Scheme Consideration for any Sino Gold optionholder rounded down to the nearest whole number (i.e. fractional entitlements are eliminated). See section 8.3 for a table that sets out each grant or series of Sino Gold options and the number of Eldorado CDIs to be issued as Option Scheme Consideration for it, and an explanation of how the Option Scheme Consideration has been calculated, including the different methodologies used for Sino Gold out of the money options and Sino Gold in the money options.

By default, the Option Scheme Consideration will be issued in the form of Eldorado CDIs to be quoted on ASX. However, you may elect to receive directly Eldorado shares to be listed on TSX and NYSE instead. (See section 8.4 for information about the election process and CDIs.)

If you are a Retail Securityholder under the Option Scheme (i.e. any Sino Gold optionholder who is entitled to receive 55,000 or less Eldorado CDIs under the Option Scheme) at 5.00pm¹ on the Record Date, you may elect to participate in the Sale Facility. If you make this election, you will receive a pro rata share of the net proceeds converted into Australian dollars from the sale of all Eldorado shares by the Sale Agent through the Sale Facility, rather than receive Eldorado CDIs or Eldorado shares under the Option Scheme. (See section 8.5.)

Ineligible Foreign Securityholders will not receive Eldorado CDIs or Eldorado shares under the Option Scheme but will instead automatically participate in the Sale Facility. (See sections 8.5 and 8.6.)

Option Scheme Meetings

On 28 October 2009, the Court ordered that Sino Gold convene Option Scheme Meeting 1 and Option Scheme Meeting 2 at the Hilton Sydney, Level 2, Function Room 3, 488 George Street, Sydney, Australia on Wednesday, 2 December 2009, for the purpose of Sino Gold optionholders considering and, if thought fit, agreeing to the Share Scheme with:

- Option Scheme Meeting 1 commencing at 10.30am or immediately after the Share Scheme Meeting (whichever is later); and
- Option Scheme Meeting 2 commencing at 11.00am or immediately after Option Scheme Meeting 1 (whichever is later).

Note:

1 2.00pm Hong Kong time.

7 Information about the Merger and the Schemes

Two Option Scheme Meetings are required to approve the Option Scheme because Sino Gold optionholders are considered to comprise two different classes depending on whether a particular option has:

- an exercise price equal to or greater than A\$7.17 or, for options with a C\$ exercise price, C\$6.49 (**Sino Gold out of the money options**); or
- an exercise price less than A\$7.17 or, for options with a C\$ exercise price, C\$6.49 (**Sino Gold in the money options**).

The reason Sino Gold optionholders are considered to comprise two different classes is that the Option Scheme Consideration for Sino Gold out of the money options is calculated differently to the Option Scheme Consideration for Sino Gold in the money options.

Each class of Sino Gold optionholders will have the opportunity to meet and vote separately on the Option Scheme:

- Option Scheme Meeting 1 for Sino Gold out of the money optionholders; and
- Option Scheme Meeting 2 for Sino Gold in the money optionholders.

Voting at each Option Scheme Meeting will be by poll.

See annexure I for a copy of the notice of Option Scheme Meeting 1 and its explanatory notes.

See annexure J for a copy of the notice of Option Scheme Meeting 2 and its explanatory notes.

The explanatory notes include information on attendance and how to vote. This information is also summarised in the earlier section entitled '*Scheme Meeting details and how to vote*'. You should also refer to the green Proxy Form for Option Scheme Meeting 1 and/or the grey Proxy Form for Option Scheme Meeting 2 that accompanied this booklet. If you did not receive a green Proxy Form or grey Proxy Form or need a new one, contact the Sino Gold Scheme Registry (see contact details on the inside back cover of this booklet).

Before the Option Scheme can become Effective, it must be approved at each Option Scheme Meeting by:

- a majority in number of eligible Sino Gold optionholders who vote at the meeting; and
- eligible Sino Gold optionholders whose Sino Gold options amount to at least 75% of the total value of relevant Sino Gold options held by the Sino Gold optionholders who vote at the meeting (the 'value' of an option will be determined by reference to the value of the Option Scheme Consideration).

Warranty by Sino Gold optionholders

The Option Scheme provides that each Sino Gold optionholder at 5.00pm¹ on the Record Date is taken to have warranted to Sino Gold, Eldorado and Eldorado Pacific, and appointed and authorised Sino Gold as its attorney and agent to warrant to Eldorado and Eldorado Pacific, that:

- all their Sino Gold options (including any entitlements and rights attaching to those options) which are cancelled under the Option Scheme will, at the date of cancellation, be free from all mortgages, charges, liens, encumbrances and interests of third parties of any kind, legal or otherwise, and, subject only to the relevant option terms, restrictions on transfer of any kind; and
- subject only to the relevant option terms, they have full power and capacity to deal with their Sino Gold options together with any rights attaching to those options.

7.5 Sino Gold directors' recommendations and voting intentions

Sino Gold directors unanimously recommend that Sino Gold securityholders vote in favour of the Schemes at the Scheme Meetings, in the absence of a Superior Proposal. The reasons for this recommendation, as well as other relevant considerations, are set out in section 1. See also section 2 for an explanation of why Sino Gold securityholders may consider voting against the Schemes and section 6 for potential risk factors.

Each Sino Gold director intends to vote in favour of the Scheme(s) relevant to him in relation to the Sino Gold securities held by him or on his behalf at the time of the Scheme Meetings, in the absence of a Superior Proposal. The interests of Sino Gold directors in the marketable securities of Sino Gold are set out in section 12.1.

At the date of this booklet, no Sino Gold directors are aware of any Superior Proposal.

7.6 Independent Expert's conclusions

Sino Gold commissioned the Independent Expert, Grant Samuel, to prepare a report on the Schemes to ascertain whether the Merger is in the best interests of Sino Gold shareholders and in the best interests of Sino Gold optionholders.

The Independent Expert has concluded that:

- the Share Scheme is fair and reasonable and, therefore, in the best interests of Sino Gold shareholders; and
- the Option Scheme is fair and reasonable and, therefore, in the best interests of Sino Gold optionholders.

See annexure A for a copy of the Independent Expert's Report.

Note:

1 2.00pm Hong Kong time.

7.7 Additional matters to be considered by Sino Gold shareholders who hold Sino Gold shares on the Sino Gold Hong Kong Share Register (including through CCASS)

Key dates

All references to time are to Hong Kong time, unless otherwise stipulated.

Scheme Meetings

Deadline for lodging transfers to ensure eligibility to vote at the Share Scheme Meeting	4.30pm on Friday, 27 November 2009
Sino Gold Hong Kong Share Register closed	Saturday, 28 November 2009 to Monday, 30 November 2009 (inclusive)
Deadline for receipt of Proxy Forms by the Sino Gold Scheme Registry for the Share Scheme Meeting	7.00am on Monday, 30 November 2009
Time and date for determining eligibility to vote at the Share Scheme Meeting	2.00pm on Monday, 30 November 2009
Share Scheme Meeting (to be held at the Hilton Sydney, Level 2, Function Room 3, 488 George Street, Sydney, Australia) Results of Scheme Meetings announced	10.00am (Sydney time) on Wednesday, 2 December 2009

7 Information about the Merger and the Schemes

Following securityholder approval of the Schemes

Second Court Hearing (for approval of the Schemes)

Effective Date

Outcome of Second Court Hearing announced

Friday, 4 December 2009

Last day of trading in Sino Gold shares on HKSE (trading suspended on HKSE from 4.00pm)

Eldorado CDIs commence trading on ASX (deferred settlement basis)¹

Monday, 7 December 2009

Deadline for lodging transfers to ensure entitlement to Share Scheme Consideration

**4.30pm on
Wednesday, 9 December 2009**

Sino Gold Hong Kong Share Register closed

**Thursday, 10 December 2009 to
Friday, 11 December 2009
(inclusive)**

Deadline for receipt of Sale Election Forms and Share Election Forms by the Sino Gold Scheme Registry

**2.00pm on
Friday, 11 December 2009**

Record Date (for determining entitlements to Scheme Consideration)

Implementation Date

Withdrawal of the listing of Sino Gold shares on HKSE (at 4.00pm)²

Commencement of despatch of holding statements for Eldorado CDIs and certificates for Eldorado shares

Tuesday, 15 December 2009

New Eldorado shares commence trading on TSX and NYSE¹ (at local times)

Eldorado CDIs commence trading on ASX (normal settlement basis)¹

Wednesday, 16 December 2009

Last TSX Trading Day for sales to be completed under the Sale Facility

Friday, 8 January 2010

Notes:

- 1 The exact number of Eldorado securities to be issued to you will not be known until after the Record Date and will not be confirmed to you until you receive your holding statement (for Eldorado CDIs) or share certificate (for Eldorado shares) following the Implementation Date. **It is your responsibility to confirm your holding of Eldorado securities before you trade them to avoid the risk of committing to sell more than will be issued to you.**
- 2 Subject to HKSE approval.

This timetable is indicative only and is subject to the time at which Conditions Precedent are satisfied, or (if applicable) waived, and to all necessary Court and regulatory approvals. Sino Gold has the right to vary any or all of these dates and times, subject to any approval required by applicable securities exchanges, the Court or Eldorado. Any variation to this timetable will be announced to ASX and HKSE.

This timetable assumes that Eldorado will be admitted to the official list of ASX and approval given for the official quotation of Eldorado CDIs. However, in certain circumstances, the Schemes may be implemented without these events occurring. See section 8.4 for more information.

Available options

Eldorado is not admitted and does not intend to seek admission to HKSE. Sino Gold shareholders who hold their shares on the Sino Gold Hong Kong Share Register (including through CCASS), have the following options:

- sell their Sino Gold shares on HKSE on or before the Effective Date (currently Friday, 4 December 2009);
- do nothing and receive Eldorado CDIs to be quoted on ASX (if your Sino Gold shares are held through CCASS, you will receive Eldorado CDIs through HKSCC Nominees);
- elect to receive Eldorado shares to be listed on TSX and NYSE instead of Eldorado CDIs to be quoted on ASX by contacting the Sino Gold Scheme Registry to obtain, and then completing and returning, a Share Election Form (see section 8.4; and, if your Sino Gold shares are held through CCASS, also the discussion below); or
- if they will be a Retail Securityholder at 2.00pm (Hong Kong time) on the Record Date, elect to participate in the Sale Facility by completing and returning the Sale Election Form (see section 8.5 and, if your Sino Gold shares are held through CCASS, also the discussion below).

Sales before the Effective Date

Sino Gold shareholders who sell their Sino Gold shares on HKSE on or before the Effective Date:

- may pay brokerage fees, stock settlement and trading fees, and stamp duty on the sale;
- will not share in the potential future benefits of being an Eldorado shareholder; and
- may be subject to different tax consequences than would have arisen under the implementation of the Share Scheme.

Election to receive Eldorado shares

If your Sino Gold shares are held through CCASS and you wish to elect to receive Eldorado shares instead of Eldorado CDIs:

- if your Sino Gold shares have been lodged with a CCASS Clearing Participant or CCASS Custodian Participant, you should instruct your CCASS Clearing Participant or CCASS Custodian Participant (as applicable) to authorise HKSCC Nominees to make this election on your behalf; or
- if you are a CCASS Investor Participant, you should instruct HKSCC Nominees directly to make this election on your behalf.

Your CCASS Clearing Participant or CCASS Custodian (if applicable) and HKSCC Nominees will require time to act on instructions. Therefore, you should contact them as soon as possible to determine their deadlines for receipt of instructions from you and the form those instructions must take.

Participation in the Sale Facility

To qualify as a Retail Securityholder under the Share Scheme, you must be a registered holder of Sino Gold shares at 2.00pm (Hong Kong time) on the Record Date for the Share Scheme.¹ If your Sino Gold shares are held through CCASS, you are not a registered holder of Sino Gold shares – HKSCC Nominees is the registered holder.

If you are not a registered holder of your Sino Gold shares and wish to qualify as a Retail Securityholder, and

- your Sino Gold shares have been lodged with a CCASS Clearing Participant or CCASS Custodian Participant, you should instruct your CCASS Clearing Participant or CCASS Custodian Participant to arrange the withdrawal of your Sino Gold shares from CCASS; or
- you are a CCASS Investor Participant, you should contact HKSCC Nominees directly to arrange the withdrawal of your Sino Gold shares from CCASS,

and then contact the Sino Gold Hong Kong Share Registry to arrange to hold your Sino Gold shares as a registered holder before the Record Date by either:

- becoming recorded as the registered holder of your Sino Gold shares on the Sino Gold Hong Kong Share Register with your Sino Gold shares held in certificated form (i.e. you will receive a share certificate); or
- (through a process known as ‘shunting’) becoming recorded as the registered holder of your Sino Gold shares on the CHESSE subregister or issuer sponsored subregister of the Sino Gold Share Register with your Sino Gold shares held in uncertificated form (i.e. you will not receive a share certificate but, instead, a holding statement).

Your CCASS Clearing Participant or CCASS Custodian (if applicable), HKSCC Nominees and the Sino Gold Hong Kong Share Registry will require time to act on instructions. Therefore, you should contact them as soon as possible to determine their deadlines for receipt of instructions from you and the form those instructions must take.

Note:

1 See section 8.5 for other eligibility requirements.

7 Information about the Merger and the Schemes

The Sino Gold Hong Kong Share Registry can be contacted as follows:

The Registrar
Computershare Hong Kong Investor Services Limited
Shops 1712–1716
17th Floor Hopewell Centre
183 Queen's Road East
Wan Chai
Hong Kong
Phone: +852 2862 8555
Fax: +852 2865 0990
Email: hkinfo@computershare.com.hk

Holding Eldorado CDIs or Eldorado shares

As Eldorado is not admitted and does not intend to seek admission to HKSE, you should note that you will not be able to trade your Eldorado CDIs or Eldorado shares on HKSE, and Eldorado will not be subject to the HKSE Listing Rules and will not publish results or make other announcements on HKSE.

If the Schemes are implemented, the rights of Sino Gold securityholders who receive Eldorado CDIs or Eldorado shares will, in respect of those securities, be governed principally by Canadian law, the TSX Company Manual, and Eldorado's restated articles of incorporation and by-laws. In addition, the rights of Sino Gold securityholders, who receive Eldorado CDIs, will be governed by the terms of the CDIs, the ASTC Settlement Rules and the ASX Listing Rules but, other than in limited situations, not by the Corporations Act. See sections 8.4 and 11 for more information.

7.8 Additional matters to be considered by Sino Gold optionholders

Exercise of Sino Gold options

As a Sino Gold optionholder, you can participate in the Share Scheme in lieu of participating in the Option Scheme by exercising your Sino Gold options. However, if you hold options that are unvested, you will not be able to exercise them until the Effective Date of the Schemes (currently anticipated to be Friday, 4 December 2009), when all unvested options will vest. Alternatively, you may wish to exercise your Sino Gold options and then sell the Sino Gold shares that will be issued to you on ASX or HKSE on or before the Effective Date of the Share Scheme. In deciding what you should do, you should consider the following matters.

- (a) The value of exercising your Sino Gold options compared with the value of the Option Scheme Consideration. In determining the value of exercising an option, you should compare the exercise price of the option with:

- the prevailing Sino Gold share price; and
- the value of the Share Scheme Consideration.

- (b) The tax consequences of exercising your Sino Gold options and having the Sino Gold shares that will be issued to you transferred under the Share Scheme or sold on ASX or HKSE compared with the tax consequences of receiving the Option Scheme Consideration. As these tax consequences will vary depending on your individual circumstances, you should consider your own tax position and the tax implications of the Option Scheme.
- (c) The risk factors described in this booklet (see, in particular, sections 2 and 6).
- (d) Whether the Schemes have become Effective.

If you already hold Sino Gold shares, you should also consider what impact the exercise of your Sino Gold options will have on your eligibility to qualify as a Retail Securityholder and, therefore, participate in the Sale Facility. For example, you may qualify as a Retail Securityholder under both Schemes if you held 60,000 Sino Gold shares and 60,000 Sino Gold options (and were not an Ineligible Foreign Securityholder). However, on the exercise of all your Sino Gold options, you would be issued an additional 60,000 Sino Gold shares for a total of 120,000 Sino Gold shares. This would entitle you to receive 66,000 Eldorado CDIs under the Share Scheme whereas, to qualify as a Retail Securityholder, you cannot be entitled to receive more than 55,000 Eldorado CDIs.

To exercise your Sino Gold options in time to participate in the Share Scheme, a valid exercise notice in respect of the Sino Gold options you wish to exercise and payment of the relevant exercise price in clear funds must be received by Sino Gold at its registered office in Australia before 5.00pm¹ on the Business Day before the Record Date for the Share Scheme. You may not exercise any of your Sino Gold options after this time (assuming the Option Scheme becomes Effective) and your Sino Gold options will be cancelled on the Implementation Date for the Option Scheme. If the Option Scheme does not become Effective, but the Share Scheme becomes Effective, your Sino Gold options will not be cancelled and you will continue to hold them, subject to Eldorado's right to compulsorily acquire them (see below).

You should consult the rules governing your Sino Gold options for information on the procedures for exercising them. A copy of the applicable rules can be obtained from the Sino Gold company secretary on (02) 8259 7000 (from within Australia) or +61 2 8259 7000 (from outside Australia), or info@sinogold.com.au.

Note:

1 2.00pm Hong Kong time.

Details of the current exercise price for each series of Sino Gold options is set out in section 8.3.

Following receipt of a valid exercise notice and clear funds, Sino Gold will:

- issue the relevant number of Sino Gold shares to you; and
- cause your name and address to be entered in the Sino Gold Share Register as the holder of those Sino Gold shares and a holding statement to be despatched to you.

Unvested options

Sino Gold options issued under the Sino Gold Executive and Employee Option Plan may only be exercised during an exercise period that commences three years after their issue unless otherwise determined by the Sino Gold Board. The Sino Gold Board has determined that all such unvested options will vest on, and be exercisable from, the Effective Date of the Schemes.

Compulsory acquisition

If the Option Scheme does not become Effective, but the Share Scheme becomes Effective, Eldorado will become entitled to, and currently intends to (although reserves the right not to), compulsorily acquire outstanding Sino Gold options under Part 6A.2 of the Corporations Act for a cash amount only. In order to compulsorily acquire Sino Gold options, Eldorado must prepare and issue a notice in the form prescribed by the Corporations Act within six months from the Implementation Date of the Share Scheme. That notice must be accompanied by an expert's report on whether the proposed terms of the compulsory acquisition give a fair value for the securities concerned.

A Sino Gold optionholder may object to compulsory acquisition of their Sino Gold options. If Sino Gold optionholders who hold at least 10% of outstanding Sino Gold options validly object to the compulsory acquisition, Eldorado will not be able to compulsorily acquire any of the outstanding Sino Gold options unless it applies for and is granted a court approval of the compulsory acquisition, and such approval may only be granted by the court where Eldorado establishes that the Sino Gold optionholders will receive fair value for their Sino Gold options. In accordance with the Corporations Act, Eldorado would be required to bear the legal costs of any proper and reasonable objection made by a Sino Gold optionholder.

7.9 Second Court Hearing

To become Effective, a Scheme must be approved by the Court at the Second Court Hearing.

If the Share Scheme is approved by the requisite majorities of Sino Gold shareholders, and all other Conditions Precedent to the Share Scheme (other than its approval and, unless previously waived, the approval of the Option Scheme by the Court) have been satisfied or waived, Sino Gold will apply to the Court for orders approving the Share Scheme at the Second Court Hearing.

If both Schemes are approved by the requisite majorities of Sino Gold securityholders, and all other Conditions Precedent to the Option Scheme (other than its approval and the approval of the Share Scheme by the Court) have been satisfied or waived, Sino Gold will apply to the Court for orders approving the Option Scheme at the Second Court Hearing.

Each Sino Gold shareholder has the right to seek leave to appear at the Second Court Hearing and be heard in respect of the Share Scheme and each Sino Gold optionholder has the right to seek leave to appear at the Second Court Hearing and be heard in respect of the Option Scheme.

The Court may refuse to approve a Scheme, even if it is approved by the requisite majorities of Sino Gold securityholders.

7.10 Effective Date (suspension of trading in Sino Gold shares)

If the Court approves a Scheme, Sino Gold will lodge a copy of the orders of the Court approving the Scheme with ASIC. The Scheme will become Effective on the date that lodgement occurs. This date is the Effective Date of the Scheme.

Upon a Scheme becoming Effective, the Scheme will bind Sino Gold and all Scheme Shareholders (in the case of the Share Scheme) and all Scheme Optionholders (in the case of the Option Scheme), including those who do not attend a relevant Scheme Meeting or who do not vote at the Scheme Meeting or who vote against the Scheme at the Scheme Meeting.

Upon a Scheme becoming Effective, Sino Gold will give notice of those events to ASX and HKSE. It will also apply to ASX and HKSE for trading in Sino Gold shares to be suspended from the close of trading on the Effective Date.

7 Information about the Merger and the Schemes

7.11 Record Date

The Record Date for a Scheme that becomes Effective is 5.00pm on the date which is five Business Days after the Effective Date for that Scheme.

Determination of persons entitled to Scheme Consideration

Only Sino Gold securityholders whose names appear on the Sino Gold Share Register or the Sino Gold Option Register (as applicable) at 5.00pm¹ on the Record Date for a Scheme will be entitled to receive the Scheme Consideration under that Scheme.

Dealings in Sino Gold securities on or prior to a Record Date

Sino Gold shares

For the purposes of determining persons entitled to Share Scheme Consideration, dealings in Sino Gold shares will be recognised by Sino Gold provided that:

- in the case of dealings of the type to be effected through CHESS, the transferee is registered as the holder of the relevant Sino Gold shares on or before 5.00pm¹ on the Record Date for the Share Scheme;
- in the case of Sino Gold shareholders who hold their shares on the Sino Gold Hong Kong Share Register, registrable transfers are received by the Sino Gold Hong Kong Share Registry before 4.30pm (Hong Kong time) on the second Hong Kong business day before the Record Date;
- in the case of the exercise of any Sino Gold options, a valid exercise notice in respect of the Sino Gold options and payment of the relevant exercise price in clear funds is received by Sino Gold at its registered office in Australia before 5.00pm¹ on the Business Day before the Record Date for the Share Scheme (in which case, Sino Gold will issue the Sino Gold shares to which the exercise notice refers and cause the Sino Gold optionholder to be entered in the Sino Gold Share Register before 5.00pm¹ on the Record Date for the Share Scheme); and
- in all other cases, registrable transfers or transmission applications in respect of those dealings are received by the Sino Gold Scheme Registry before 5.00pm¹ on the Business Day before the Record Date for the Share Scheme (in which case Sino Gold will cause such transfers to be registered before 5.00pm¹ on the Record Date for the Share Scheme).

Sino Gold will not recognise, for the purpose of establishing who is entitled to Share Scheme Consideration, any exercise notice in respect of Sino Gold options or any transmission application or transfer in respect of Sino Gold shares received after these times.

Sino Gold options

For the purposes of determining persons entitled to Option Scheme Consideration, permitted dealings in Sino Gold options will be recognised by Sino Gold provided that registrable transfers or transmission applications in respect of those dealings are received by Sino Gold at its registered office in Australia before 5.00pm¹ on the Business Day before the Record Date for the Option Scheme (in which case Sino Gold will cause such transfers to be registered before 5.00pm¹ on the Record Date for the Option Scheme). Sino Gold will not accept for registration, or recognise for the purpose of establishing who is entitled to Option Scheme Consideration, any transmission application or transfer in respect of Sino Gold options received after this time. Note that the terms of some Sino Gold options prohibit or restrict their transfer.

Dealings in Sino Gold securities after a Record Date

At 5.00pm¹ on the Record Date for the Share Scheme (in the case of Sino Gold shares) and at 5.00pm¹ on the Record Date for the Option Scheme (in the case of Sino Gold options):

- all statements of holding or certificates in respect of Sino Gold securities (as applicable) cease to have effect as documents of title in respect of such Sino Gold securities; and
- each entry on the Sino Gold Share Register or Sino Gold Option Register (as applicable) at that date will cease to have any effect other than as evidence of entitlement to Scheme Consideration,

other than for Eldorado and Eldorado Pacific and, if the Option Scheme has not become Effective, Sino Gold optionholders who exercise their options after 5.00pm¹ on the Business Day before the Record Date for the Share Scheme.

Note:

1 2.00pm Hong Kong time.

7.12 Implementation Date

The Implementation Date for a Scheme is the date which is four days after the Record Date for that Scheme.

On the Implementation Date for a Scheme, Eldorado must:

- issue Eldorado shares to CDN in sufficient number to support the issue by CDN of Eldorado CDIs to Sino Gold securityholders entitled to them and cause the name and address of CDN to be recorded in the Eldorado Share Register;
- cause Eldorado CDIs to be issued by CDN to Sino Gold securityholders entitled to them and cause their names and addresses to be recorded in the Eldorado CDI Register;
- issue Eldorado shares to Sino Gold securityholders entitled to them and cause their names and addresses to be recorded in the Eldorado Share Register; and
- issue Eldorado shares to the Sale Agent as nominee in trust for the Sale Facility Participants in an amount that would otherwise have been issued as Scheme Consideration for Retail Securityholders who have made a valid election to participate in the Sale Facility and to Ineligible Foreign Securityholders and cause the name and address of the Sale Agent to be recorded in the Eldorado Share Register.

In the case of each Sino Gold shareholder entitled to Eldorado CDIs:

- if they held their Sino Gold shares on the CHES subregister of the Sino Gold Share Register, the Eldorado CDIs issued to them will be recorded on the CHES subregister of the Eldorado CDI Register;
- if they held their Sino Gold shares on the issuer sponsored subregister of the Sino Gold Share Register, the Eldorado CDIs issued to them will be recorded on the issuer sponsored subregister of the Eldorado CDI Register; and
- if they held their Sino Gold shares on the Sino Gold Hong Kong Share Register, the Eldorado CDIs issued to them will be recorded on the issuer sponsored subregister of the Eldorado CDI Register.

In the case of each Sino Gold optionholder entitled to Eldorado CDIs, the Eldorado CDIs issued to them will be recorded on the issuer sponsored subregister of the Eldorado CDI Register.

In the case of Sino Gold shares held in joint names, the Share Scheme Consideration will be issued to, and registered in the names of, the joint holders, and holding statements or share certificates (as applicable) will be sent to holders whose name appears first on the Sino Gold Share Register at 5.00pm¹ on the Record Date of the Share Scheme.

Once the relevant Scheme Consideration has been issued:

- in the case of the Share Scheme, all Sino Gold shares at 5.00pm¹ on the Record Date will be transferred to Eldorado Pacific;
- in the case of the Option Scheme, all Sino Gold options at 5.00pm¹ on the Record Date will be cancelled,

without any need for further actions by Sino Gold securityholders.

7.13 Despatch of holding statements and share certificates

Eldorado expects to despatch holding statements (for Eldorado CDIs) and share certificates (for Eldorado shares) to Sino Gold securityholders entitled to them as soon as practicable and, in any event, not less than three Business Days after the Implementation Date.

7.14 Commencement of trading in Eldorado CDIs on ASX and new Eldorado shares on TSX and NYSE

Trading in Eldorado CDIs on ASX is expected to commence on a deferred settlement basis on Monday, 7 December 2009 and on a normal settlement basis on Wednesday, 16 December 2009. The actual dates will be announced by ASX and published on Sino Gold's website (www.sinogold.com.au).

Trading in new Eldorado shares on TSX and NYSE is expected to commence at local times on the Implementation Date (currently Tuesday, 15 December 2009). The actual date will be announced by Eldorado and published on Sino Gold's website (www.sinogold.com.au).

The exact number of Eldorado securities to be issued to Sino Gold securityholders will not be known until after the Record Date and will not be confirmed to them until they receive their holding statement (for Eldorado CDIs) or share certificates (for Eldorado shares) following the Implementation Date. It is the responsibility of Sino Gold securityholders to confirm their holdings of Eldorado securities before they trade them to avoid the risk of committing to sell more than will be issued to them.

Note:

1 2.00pm Hong Kong time.

7 Information about the Merger and the Schemes

7.15 Delisting of Sino Gold

Following the Implementation Date, Sino Gold will request:

- ASX to end official quotation of Sino Gold shares and remove Sino Gold from the official list of ASX, subject to satisfaction of conditions under the ASX Listing Rules (as modified or waived); and
- HKSE to accept a withdrawal of its secondary listing from HKSE, subject to satisfaction of conditions under the HKSE Listing Rules (as modified or waived).

7.16 Appointment of Eldorado nominees as Sino Gold directors

If the Share Scheme becomes Effective, Sino Gold must appoint additional directors so that at least half of its directors are Eldorado nominees. Then, on or before the Implementation Date, it must ensure that:

- all but two (to be nominated by Eldorado) of its existing directors resign; and
- directors on the boards of each Sino Gold group member resign and are replaced by Eldorado nominees.

7.17 Conditions Precedent to the Schemes

The Schemes can only be implemented if each Condition Precedent is satisfied or, to the extent applicable, waived in accordance with the Scheme Implementation Deed.

See below for information concerning the Conditions Precedent and the status of their satisfaction at the date of this booklet. Full details of the Conditions Precedent, the ability of Sino Gold and Eldorado to rely on them, and the provisions relating to their satisfaction or waiver are set out in clause 3 of the Scheme Implementation Deed (see annexure C).

At the date of this booklet, neither Sino Gold nor Eldorado is aware of any reason why the Conditions Precedent will not be satisfied.

Conditions Precedent that cannot be waived

- FIRB Approval.
On 29 September 2009, FIRB notified Eldorado that there are no objections in terms of the foreign investment policy of the Australian government to the Merger.
- Such ASIC consents, approvals or other acts which Sino Gold and Eldorado agree are reasonably necessary to implement the Share Scheme.
- Scheme Shareholders agree to the Share Scheme at the Share Scheme Meeting by the requisite majorities.
- The Court approves the Share Scheme.
- No order issued by, or other material legal restraint or prohibition imposed by, any court or government agency preventing the Merger is in effect at 8.00am¹ on the Second Court Date for the Share Scheme.

Conditions Precedent that can only be waived by the agreement of both Sino Gold and Eldorado

- Such ASX consents, approvals or other acts which Sino Gold and Eldorado agree are reasonably necessary to implement the Share Scheme, including Eldorado's admission to the official list of ASX and approval for the official quotation of Eldorado CDIs.

If ASX requires any amendments to Eldorado's constituent documents in connection with its admission to the official list of ASX that would require the approval of Eldorado shareholders or be prohibited under Canadian law, or ASX otherwise refuses to admit Eldorado to its official list or refuses to approve official quotation of Eldorado CDIs, either Sino Gold or Eldorado may waive the requirement for Eldorado to be admitted to the official list of ASX and for ASX to approve official quotation of the Eldorado CDIs.

- Conditional approval from TSX and approval (subject to official notice of issuance) from NYSE to the listing of new Eldorado shares.

TSX and NYSE have approved the listing of up to 139,690,700 Eldorado shares (including 4,057,762 Eldorado shares to be issued under the Top-Up Right), subject only to the satisfaction of customary listing conditions and to each Scheme becoming Effective.

Note:

1 5.00am Hong Kong time.

Conditions Precedent that can only be waived by Sino Gold

- Satisfactory completion of Sino Gold's due diligence investigations on Eldorado.
This Condition Precedent was satisfied on 14 September 2009.
- No Eldorado Prescribed Occurrence occurs between the Merger Announcement Date and 8.00am¹ on the Second Court Date for the Share Scheme. (See clause 1.1 of the Scheme Implementation Deed for the meaning of 'Eldorado Prescribed Occurrence'.)
- No Eldorado Material Adverse Change occurs, or is discovered, announced, disclosed or otherwise becomes known to Sino Gold between the Merger Announcement Date and 8.00am¹ on the Second Court Date for the Share Scheme. (See clause 1.1 of the Scheme Implementation Deed for the meaning of 'Eldorado Material Adverse Change'.)
- The representations and warranties of Eldorado in the Scheme Implementation Deed are true and correct in all material respects at the Merger Announcement Date and at 8.00am¹ on the Second Court Date for the Share Scheme.

Conditions Precedent that can only be waived by Eldorado

- Satisfactory completion of Eldorado's due diligence investigations on Sino Gold.
This Condition Precedent was satisfied on 14 September 2009.
- No Sino Gold Prescribed Occurrence occurs between the Merger Announcement Date and 8.00am¹ on the Second Court Date for the Share Scheme. (See clause 1.1 of the Scheme Implementation Deed for the meaning of 'Sino Gold Prescribed Occurrence'.)
- No Sino Gold Material Adverse Change occurs, or is discovered, announced, disclosed or otherwise becomes known to Eldorado between the Merger Announcement Date and 8.00am¹ on the Second Court Date for the Share Scheme. (See clause 1.1 of the Scheme Implementation Deed for the meaning of 'Sino Gold Material Adverse Change'.)
- The representations and warranties of Sino Gold in the Scheme Implementation Deed are true and correct in all material respects at the Merger Announcement Date and at 8.00am¹ on the Second Court Date for the Share Scheme.

- Scheme Optionholders agree to the Option Scheme at the Option Scheme Meetings by the requisite majorities.
- The Court approves the Option Scheme.

7.18 End Date

A Scheme will lapse if it does not become Effective before the End Date (currently 31 March 2010).

Subject to the approval of Sino Gold securityholders and the Court, it is currently anticipated that the Schemes will become Effective on Friday, 4 December 2009.

If it becomes probable the Share Scheme will not become Effective by the End Date, Sino Gold and Eldorado are required under the Scheme Implementation Deed to consult in good faith to determine whether the Merger can proceed by way of alternative means, to extend the relevant time or date for satisfaction of the Conditions Precedent or to extend the End Date. If they are unable to reach agreement within five Business Days or by the End Date, this may allow one or both to terminate the Scheme Implementation Deed and the Merger will not proceed.

7.19 Exclusivity

Sino Gold has agreed to certain exclusivity provisions that restrict it from encouraging, or engaging with, the proponent of a Third Party Transaction.

No talk

Sino Gold must not, and must ensure that none of its representatives:

- directly or indirectly participate in or continue any discussions or negotiations;
- provide or make available any information (including providing information and access to perform due diligence);
- enter into any agreement, arrangement or understanding; or
- communicate any intention to do any of the abovementioned things,

in relation to, or which may reasonably be expected to lead to, a Third Party Transaction, or which might otherwise lead to the Merger not completing.

Note:

1 5.00am Hong Kong time.

7 Information about the Merger and the Schemes

No shop

Sino Gold must not, and must ensure that none of its representatives, solicit or invite enquiries, discussions or proposals in relation to, or which may reasonably be expected to lead to, a Third Party Transaction, or communicate to any person an intention to do so.

Exceptions to exclusivity

The 'no talk' restriction does not apply to any action in relation to certain Third Party Transactions (as specified in clause 11.3(a) of the Scheme Implementation Deed) which were not solicited by Sino Gold and were not otherwise brought about by a breach of the 'no shop' restrictions, provided that:

- the Sino Gold Board, acting in good faith, reasonably determines after having taken legal advice that not undertaking that act would be likely to constitute a breach of directors' duties or would otherwise be likely to be unlawful; or
- the Sino Gold Board, acting in good faith, determines after taking financial and legal advice that the Third Party Transaction is or is likely to be reasonably capable of being valued and completed on a timely basis and more favourable to Sino Gold shareholders (other than the Excluded Shareholders) than the Share Scheme.

Obligation to notify Eldorado

Sino Gold must immediately notify Eldorado if it becomes aware of any of a variety of matters relating to a Third Party Transaction.

Before Sino Gold can enter into a binding agreement to undertake a Third Party Transaction or change its recommendation in favour of the Merger or publicly recommend a Third Party Transaction, it must:

- (a) provide Eldorado with:
 - the identity of the relevant third party;
 - the material terms of the proposed Third Party Transaction; and
 - any material due diligence information provided to the relevant third party that has not been either publicly disclosed or previously provided to Eldorado, and
- (b) give Eldorado five Business Days to provide a matching or superior deal to the Third Party Transaction.

7.20 Break fees

Under the Scheme Implementation Deed, Sino Gold and Eldorado acknowledged to each other that, if they enter the Scheme Implementation Deed and the Share Scheme is subsequently not implemented in certain circumstances, the other will incur significant costs, including significant opportunity costs.

Each has requested provision be made for the payment of a break fee (without which it would not have entered into the Scheme Implementation Deed or otherwise agreed to implement the Share Scheme) by the other and, in turn, confirmed that:

- it believes the implementation of the Share Scheme will provide significant benefits to it and its shareholders, such that it is reasonable and appropriate for it to agree to its break fee in order to secure the participation of the other in the Merger; and
- its break fee represents a genuine and reasonable estimate of costs and loss that would be suffered by the other if the Share Scheme was not implemented.

Sino Gold has agreed to pay a break fee of A\$21 million (plus GST if applicable) to Eldorado if:

- (a) a member of the Sino Gold Board withdraws or adversely modifies his support of the Share Scheme or his recommendation that Sino Gold shareholders vote in favour of the Share Scheme, or makes a public statement that he no longer supports the Share Scheme or that he supports a Third Party Transaction, other than as a result of:
 - the first report of the Independent Expert (but not subsequent reports or updates to that report) concluding that the Share Scheme is not in the best interests of Scheme Shareholders (other than as a result of a Third Party Transaction);
 - any matter or thing giving Sino Gold the right to terminate the Scheme Implementation Deed in the circumstances specified in clause 12.2(a)(2) of the Scheme Implementation Deed; or
 - failure of a Condition Precedent, other than a result of Sino Gold failing to use its reasonable endeavours to procure that certain Conditions Precedent are satisfied (as contemplated in clause 3.2(c)(1) of the Scheme Implementation Deed);

- (b) a Third Party Transaction is announced before 31 March 2010 and within one year of that announcement the relevant third party or an associate of the third party completes a certain Third Party Transaction (as specified in paragraph 1, 3 or 4 of the definition of 'Third Party Transaction' in clause 1.1 of the Scheme Implementation Deed) and merges with Sino Gold or acquires a relevant interest in at least 50% of Sino Gold shares; or
- (c) Eldorado terminates the Scheme Implementation Deed because:
- Sino Gold has materially breached certain terms;
 - a Sino Gold Material Adverse Change or a Sino Gold Prescribed Occurrence occurs before 8.00am¹ on the Second Court Date for the Share Scheme; or
 - Sino Gold has breached a representation and warranty in the Scheme Implementation Deed that is not rectified within five Business Days or before the Second Court Date (whichever is the earlier) and the loss that could reasonably be expected to follow from the breach exceeds A\$30 million in aggregate,
- and the Merger does not complete.

Eldorado has agreed to pay a break fee of A\$21 million (plus GST if applicable) to Sino Gold if Sino Gold terminates the Scheme Implementation Deed because:

- Eldorado has materially breached any provision (other than certain provisions specified in clause 13.1(a)(1) of the Scheme Implementation Deed);
- an Eldorado Material Adverse Change or Eldorado Prescribed Occurrence (each as defined in the Scheme Implementation Deed) occurs before 8.00am¹ on the Second Court Date for the Share Scheme; or
- Eldorado has breached a representation and warranty in the Scheme Implementation Deed that is not rectified within five Business Days or before 5.00pm² on the Business Day before the Second Court Date for the Share Scheme (whichever is earlier) and the loss that could reasonably be expected to follow from the breach exceeds US\$45 million (plus GST if applicable) in aggregate,

and the Merger does not complete.

7.21 Termination rights

Either Sino Gold or Eldorado may terminate the Scheme Implementation Deed in the following circumstances:

- (a) the other party has materially breached a provision (subject to notice and applicable grace periods);
- (b) at any time before 8.00am¹ on the Second Court Date for the Share Scheme, if a court or government agency permanently restrains or otherwise prohibits the Merger, or refuses to do anything necessary to permit the Merger, and the action or refusal has become final and cannot be appealed;
- (c) unless waived, one or more Conditions Precedent to the Share Scheme cannot be satisfied within the relevant time specified in the Scheme Implementation Deed and Sino Gold and Eldorado cannot within five Business Days agree on an alternative method for proceeding with the Merger or an extension of the Second Court Date, the relevant time or the End Date; or
- (d) the Sino Gold Board or a majority of the Sino Gold Board changes, withdraws or modifies its recommendation that Sino Gold shareholders vote in favour of the Share Scheme where permitted to do so under the Scheme Implementation Deed and, if Sino Gold is terminating, it has paid the A\$21 million break fee to Eldorado (where applicable).

Eldorado may terminate the Scheme Implementation Deed if a Sino Gold Material Adverse Change or a Sino Gold Prescribed Occurrence occurs before 8.00am¹ on the Second Court Date for the Share Scheme.

Sino Gold may terminate the Scheme Implementation Deed if an Eldorado Material Adverse Change or an Eldorado Prescribed Occurrence occurs before 8.00am¹ on the Second Court Date for the Share Scheme.

Each of Sino Gold and Eldorado has made certain representations and warranties to the other (see schedules 1 and 2 of the Scheme Implementation Deed). Before 8.00am¹ on the Second Court Date for the Share Scheme, either Sino Gold or Eldorado may (subject to notice and applicable grace periods) terminate the Scheme Implementation Deed for breach by the other of its representations and warranties if the loss that could reasonably be expected to follow from that breach exceeds, in the case of a breach by Sino Gold, A\$30 million or, in the case of a breach by Eldorado, A\$45 million.

Notes:

- 1 5.00am Hong Kong time.
- 2 2.00pm Hong Kong time.

Scheme Consideration

8

8.1 Introduction

This section provides additional information regarding Scheme Consideration, including:

- (a) for Sino Gold shareholders, information about the calculation of Share Scheme Consideration (see section 8.2);
- (b) for Sino Gold optionholders, information about the calculation of Option Scheme Consideration (see section 8.3);
- (c) for all Sino Gold securityholders (other than Ineligible Foreign Securityholders), information about Eldorado CDIs and Eldorado shares and how you can elect to receive Scheme Consideration in the form of Eldorado shares rather than in the form of Eldorado CDIs (see section 8.4);
- (d) for Retail Securityholders under a Scheme, information about how you can elect to participate in the Sale Facility, rather than receive Eldorado CDIs or Eldorado shares under that Scheme (see section 8.5);
- (e) for Retail Securityholders who wish to elect to participate in the Sale Facility and for all Ineligible Foreign Securityholders, information about how the Sale Facility operates (see section 8.5); and
- (f) for Sino Gold securityholders outside Australia, notices addressed to those in certain jurisdictions (see section 8.6).

8.2 Share Scheme Consideration

Calculation

The Share Scheme Consideration comprises 0.55 Eldorado CDIs for every Sino Gold share held at 5.00pm¹ on the Record Date with the total Share Scheme Consideration for any Sino Gold shareholder rounded down to the nearest whole number (i.e. fractional entitlements are eliminated).

Payment

If the Share Scheme becomes Effective and your name appears in the Sino Gold Share Register at 5.00pm¹ on the Record Date for the Share Scheme:

- (a) subject to (b) and (c), you will receive Scheme Consideration for the Sino Gold shares you are recorded as holding in the form of Eldorado CDIs with holding statements for your Eldorado CDIs to be sent to you as soon as practicable and, in any event, not later than three Business Days after the Implementation Date;
- (b) if you have made a valid election to receive Eldorado shares rather than Eldorado CDIs or if Eldorado does not obtain admission to the official list of ASX, you will receive Scheme Consideration for the Sino Gold shares you are recorded as holding in the form of Eldorado shares with share certificates for your Eldorado shares to be sent to you as soon as practicable and, in any event, not later than three Business Days after the Implementation Date; and
- (c) if you are a Retail Securityholder under the Share Scheme who has made a valid election to participate in the Sale Facility or you are an Ineligible Foreign Securityholder, the Eldorado shares that would otherwise have been issued for you under (a) or (b) will be issued to the Sale Agent, as your nominee in trust, for sale through the Sale Facility and you will receive a pro rata share of the net proceeds converted into Australian dollars from the sale of all Eldorado shares sold through the Sale Facility (see section 8.5 for information on when you can expect to receive this payment).

Note:

1 2.00pm Hong Kong time.

8 Scheme Consideration

8.3 Option Scheme Consideration

Calculation

The Option Scheme Consideration comprises a fixed number of Eldorado shares or Eldorado CDIs for every Sino Gold option held at 5.00pm¹ on the Record Date, with the total Option Scheme Consideration for any Sino Gold optionholder rounded down to the nearest whole number (i.e. fractional entitlements are eliminated).

The following table sets out the value of and number of Eldorado shares or Eldorado CDIs to be issued for an option in each series or grant of Sino Gold options.

Option series	Expiry date	Exercise price	Value per option	Eldorado CDIs/shares per option	Total number of options
EEOP Directors	31/12/10	A\$3.13	A\$4.04	0.3097	800,000
EEOP Directors	31/12/11	A\$6.34	A\$0.83	0.0634	1,370,000
EEOP Directors ⁽¹⁾	09/11/12	A\$7.49	A\$2.51	0.1923	850,000
EEOP Directors	09/12/13	A\$4.35	A\$2.82	0.2161	858,750
EEOP Employees	31/12/09	A\$1.84	A\$5.33	0.4088	95,000
EEOP Employees	01/09/12	A\$5.59	A\$1.58	0.1209	40,000
EEOP Employees	31/12/10	A\$3.13	A\$4.04	0.3097	550,000
EEOP Employees	06/03/11	A\$3.65	A\$3.52	0.2698	150,000
EEOP Employees	31/12/11	A\$6.34	A\$0.83	0.0634	1,590,000
EEOP Employees	08/05/12	A\$5.83	A\$1.34	0.1025	150,000
EEOP Employees	30/09/12	A\$5.71	A\$1.46	0.1117	50,000
EEOP Employees	30/09/12	A\$6.04	A\$1.13	0.0864	120,000
EEOP Employees ⁽¹⁾	09/11/12	A\$7.49	A\$2.51	0.1923	1,495,000
EEOP Employees	04/12/12	A\$6.73	A\$0.44	0.0334	40,000
EEOP Employees	20/10/13	A\$4.01	A\$3.16	0.2422	150,000
EEOP Employees	09/12/13	A\$4.35	A\$2.82	0.2161	1,847,500
EEOP Employees	28/01/14	A\$4.46	A\$2.71	0.2077	150,000
EEOP Employees	01/03/14	A\$5.45	A\$1.72	0.1317	80,000
EEOP Employees	13/07/14	A\$4.76	A\$2.41	0.1846	380,000
Standard Bank Plc	16/09/10	A\$2.37	A\$4.80	0.3681	250,000
GCX (Apr 05) ⁽¹⁾	12/04/10	C\$9.52	A\$0.24	0.0186	109,730
GCX (Dec 06 Series 1) ^{(1),(2)}	31/12/09	C\$15.19	A\$0.00	0.0000	35,552
GCX (Dec 06 Series 2)	31/12/09	C\$2.91	A\$3.95	0.3034	27,508
GCX (Dec 06 Series 3) ⁽¹⁾	03/11/10	C\$7.72	A\$1.04	0.0797	29,626
GCX (Mar 07)	14/03/12	C\$3.67	A\$3.11	0.2390	88,392
GCX (Apr 07)	04/04/12	C\$3.00	A\$3.85	0.2958	21,975
GCX (Kingsway/Assif)	08/08/12	C\$5.47	A\$1.13	0.0865	777,700

(1) A Sino Gold out of the money option (all other options are Sino Gold in the money options).

(2) The value for all options in this series is A\$21.

The information in the columns headed 'Option series', 'Expiry date', 'Exercise price' and 'Total number of options' has been provided by Sino Gold.

Note:

1 2.00pm Hong Kong time.

Explanation of the different calculation methods

The value of Sino Gold options (and, therefore, the Option Scheme Consideration payable on their cancellation) has been calculated differently depending on whether a particular option has:

- an exercise price equal to or greater than A\$7.17 or, for options with a C\$ exercise price, C\$6.49 (**Sino Gold out of the money options**); or
- an exercise price less than A\$7.17 or, for options with a C\$ exercise price, C\$6.49 (**Sino Gold in the money options**).

C\$6.49 was calculated by multiplying the VWAP of Eldorado shares on TSX for the five full trading days preceding 26 August 2009 (C\$11.8025) by the exchange ratio of 0.55. A\$7.17 was calculated by multiplying C\$11.8025 by the exchange ratio of 0.55 and converting to A\$ based on the average of the last A\$:C\$ trade as quoted on Bloomberg prior to 12.00am on each of the five full trading days preceding 26 August 2009 (0.90594).

The value of each Sino Gold out of the money option has been calculated using the Black-Scholes option valuation model which takes account of factors such as the option exercise price, the current level and volatility of the underlying share price and the time to maturity of the option. The assumptions used in this valuation were:

- annualised volatility of Sino Gold shares of 44.7%;
- price of Sino Gold shares of A\$7.17 (as per the calculation above);
- time to maturity calculated as the difference between the expiry date of each option and the valuation date of 26 August 2009; and
- the risk-free rate for each option was interpolated from Australian government rates on the valuation date (the risk free rate used ranged between 3.43% and 4.86% depending on the expiry date of each option).

Valuation of Sino Gold out of the money options with a C\$ exercise price was conducted by converting the C\$ exercise price to A\$ based on an A\$:C\$ exchange rate of 0.90594. The number of Eldorado shares or Eldorado CDIs payable on cancellation of each Sino Gold out of the money option was determined by converting the Black Scholes option valuation into C\$ based on an A\$:C\$ exchange rate of 0.90594, and dividing by C\$11.8025.

The value of Sino Gold in the money options has been calculated using an intrinsic valuation approach. The value of a Sino Gold in the money option with an A\$ exercise price was calculated by deducting the exercise price of the option from A\$7.17. The number of Eldorado shares or Eldorado CDIs payable on cancellation of these options was calculated by converting the intrinsic value

into C\$ based on an A\$:C\$ exchange rate of 0.90594, and dividing by C\$11.8025. The value of a Sino Gold in the money option with a C\$ exercise price was calculated by deducting the exercise price of the option from C\$6.49. The number of Eldorado shares or Eldorado CDIs payable on cancellation of these options was determined by dividing the intrinsic value by C\$11.8025.

The Black-Scholes option valuation model recognises that the value of an option may vary up to its expiry date based on movements in the future price of the underlying share and seeks to assign a theoretical value for the option based on a number of inputs (including the current price of the underlying share and length of time until the option expires) and assumptions (including the estimated volatility of the future price of the underlying share during that time). An intrinsic valuation values an option by reference to the current price of the underlying share and does not assign any theoretical value to the potential for movements in the future price of the underlying share. See section 9.7 of the Independent Expert's Report for an evaluation of the Option Scheme Consideration.

Payment

If the Option Scheme becomes Effective and your name appears in the Sino Gold Option Register at 5.00pm¹ on the Record Date for the Option Scheme:

- (a) subject to (b) and (c), you will receive Scheme Consideration for the Sino Gold options you are recorded as holding in the form of Eldorado CDIs with holding statements for your Eldorado CDIs to be sent to you as soon as practicable and in any event not later than three Business Days after the Implementation Date;
- (b) if you have made a valid election to receive Eldorado shares rather than Eldorado CDIs or if Eldorado does not obtain admission to the official list of ASX, you will receive Scheme Consideration for the Sino Gold options you are recorded as holding in the form of Eldorado shares with share certificates for your Eldorado shares to be sent to you as soon as practicable and, in any event, not later than three Business Days after the Implementation Date; and
- (c) if you are a Retail Securityholder under the Option Scheme who has made a valid election to participate in the Sale Facility or you are an Ineligible Foreign Securityholder, the Eldorado shares that would otherwise have been issued for you under (a) or (b) will be issued to the Sale Agent, as your nominee in trust, for sale through the Sale Facility and you will receive a pro rata share of the net proceeds converted into Australian dollars from the sale of all Eldorado shares sold through the Sale Facility (see section 8.5 for information on when you can expect to receive this payment).

Note:

1 2.00pm Hong Kong time.

8 Scheme Consideration

8.4 Eldorado CDIs and Eldorado shares

Assuming Eldorado is admitted to the official list of ASX, you can elect to receive Scheme Consideration in the form of Eldorado shares listed on TSX and NYSE instead of Eldorado CDIs quoted on ASX, by making a Share Election. You should consider the information in this section before deciding whether to make a Share Election.

The decision whether to elect to receive Eldorado shares (rather than Eldorado CDIs) will depend on your individual circumstances. You should seek advice from your own financial, legal or other professional adviser before deciding whether to make this election.

If the Scheme(s) relevant to you becomes Effective, by default, you will receive Scheme Consideration in the form of Eldorado CDIs quoted on ASX, unless you are a Retail Securityholder under a Scheme who has elected to participate in the Sale Facility or you are an Ineligible Foreign Securityholder (see sections 8.5 and 8.6). However, if Eldorado does not obtain admission to the official list of ASX, and the Scheme(s) relevant to you becomes Effective, you will instead receive Scheme Consideration in the form of Eldorado shares listed on TSX and NYSE. At the date of this booklet, Eldorado is not aware of any particular issues that would prevent it from obtaining admission to ASX.

Eldorado shares

Eldorado shares are common shares in the share capital of Eldorado (common shares are the equivalent of 'ordinary shares' in Australian companies). Share certificates are evidence of legal title to Eldorado shares and should be kept in safe custody; loss, defacement or destruction will necessitate a process of issuance of a replacement certificate which may entail cost, time and appropriate indemnification and/or insurance.

Eldorado shares are listed on TSX and NYSE. Accordingly, investors who wish to trade Eldorado shares on the open market must do so on either TSX or NYSE (Eldorado shares cannot be traded on ASX). Such trades must be undertaken through a broker entitled to trade on TSX or NYSE (as the case may be). Not all Australian brokers are able to trade securities on TSX or NYSE. Eldorado shares are listed and traded on TSX in Canadian dollars and NYSE in United States dollars. The Australian dollar value of Eldorado shares will depend on the prevailing A\$:C\$ or A\$:US\$ exchange rate from time to time.

Eldorado CDIs

A CDI is a financial product quoted on ASX. CDIs represent an interest in the underlying security of the foreign company. This allows investors to trade interests in foreign securities by trading the relevant CDIs on ASX.

Each Eldorado CDI will represent one Eldorado share and will confer a beneficial interest in that Eldorado share.

Eldorado shares represented by Eldorado CDIs will be held by CDN on behalf of the holders of Eldorado CDIs.

If Eldorado is admitted to the official list of ASX, Eldorado CDIs will be quoted and traded on ASX in Australian dollars. They will not be listed and will not be able to be traded on TSX or NYSE.

The key features of Eldorado CDIs are summarised below.

General

Except for certain differences noted below, the rights attaching to Eldorado CDIs are economically equivalent to the rights attaching to Eldorado shares, and Eldorado will generally be required to treat holders of Eldorado CDIs as if they were the holders of the Eldorado shares represented by those Eldorado CDIs. This means that economic benefits such as dividends, bonus issues and rights issues will generally flow through to holders of Eldorado CDIs as if they were the registered holders of the underlying Eldorado shares.

Ratio

Each Eldorado CDI will represent one Eldorado share held by CDN, a wholly owned subsidiary of ASX.

Voting

Holders of Eldorado CDIs will be sent notices of general meetings of Eldorado shareholders at the same time as they are sent to Eldorado shareholders.

As holders of Eldorado CDIs are not the registered holders of the Eldorado shares represented by Eldorado CDIs, they will not be automatically entitled to vote in person at a general meeting of Eldorado shareholders.

However, the holder of an Eldorado CDI can direct CDN to cast votes in a particular manner on their behalf or they can require CDN to appoint the holder (or a person nominated by the holder) as proxy to exercise the votes attaching to the Eldorado shares represented by the holder's Eldorado CDIs. In such latter case, a holder of an Eldorado CDI may, as proxy, attend and vote in person at a general meeting of Eldorado shareholders. Save as mentioned in this paragraph, if a holder of a CDI wishes to attend and vote in person at a general meeting of Eldorado shareholders, the holder must first convert their CDIs into the underlying Eldorado shares in sufficient time before the record date for the meeting.

Takeovers

CDN must not accept a takeover offer in respect of any Eldorado shares representing Eldorado CDIs except to the extent that holders of Eldorado CDIs have authorised CDN to accept the offer. It is CDN's responsibility to ensure that the bidder processes those acceptances.

Conversion of Eldorado CDIs into Eldorado shares

Holders of Eldorado CDIs may at any time convert their Eldorado CDIs into Eldorado shares listed on TSX and NYSE by contacting:

- the Eldorado CDI subregistry (currently Link Market Services Limited), if their Eldorado CDIs are held on the Eldorado CDI issuer sponsored subregister; or
- their broker, if their Eldorado CDIs are held on the Eldorado CDI CHESSE subregister.

Requests for conversion will ordinarily be processed within one to three business days although the time for conversion may take longer. Conversion is achieved by transferring the underlying Eldorado shares from CDN to the holder of the Eldorado CDIs.

No trading of the underlying Eldorado shares can take place on TSX or NYSE until the conversion process has been completed.

Communications from Eldorado

Eldorado will communicate directly with holders of Eldorado CDIs with respect to corporate actions and will send notices and other documents (e.g. notices of meetings) to holders of Eldorado CDIs at the same time as they are sent to Eldorado shareholders.

Trading

Following the listing of Eldorado CDIs on ASX, Eldorado CDIs can be traded on ASX. They will not be tradeable on TSX or NYSE.

If a holder of Eldorado CDIs wishes to trade on TSX or NYSE, they must convert the Eldorado CDIs into Eldorado shares (see above).

Dividends

Dividend record and payment dates will be the same for Eldorado shares and Eldorado CDIs.

Any cash dividends or distributions will be converted by Eldorado or its agent from Canadian dollars into Australian dollars, paid by Eldorado to the Eldorado CDI subregistry (currently Link Market Services Limited) on trust for the holders of Eldorado CDIs (net of any currency conversion costs) and then paid directly to holders of Eldorado CDIs by the Eldorado CDI subregistry on the payment date.

Please note that Eldorado does not currently intend to pay any dividends. See section 4.16 for further details.

Evidence of ownership

If Eldorado CDIs are issued to you under a Scheme, you will receive a holding statement in respect of your Eldorado CDIs rather than a holding statement or share certificate for the underlying Eldorado shares. Revised holding statements will be provided on a periodic basis if there is a change in the number of Eldorado CDIs held by you.

Eldorado CDIs may be held on an issuer sponsored subregister or on a CHESSE subregister. If you receive Eldorado CDIs under the Share Scheme, you will receive them:

- on the Eldorado CDI issuer sponsored subregister, to the extent they are issued for Sino Gold shares held on the Sino Gold issuer sponsored subregister or Sino Gold Hong Kong Share Register; and
- on the Eldorado CDI CHESSE subregister, to the extent they are issued for Sino Gold shares held on the Sino Gold CHESSE subregister.

If you receive Eldorado CDIs under the Option Scheme, you will receive them on the Eldorado CDI issuer sponsored subregister.

The principal differences between holding Eldorado CDIs and Eldorado shares

The principal difference between holding an Eldorado CDI and holding an Eldorado share is that the holder of an Eldorado CDI has, through CDN, an indirect, beneficial interest in the Eldorado share underlying their Eldorado CDI instead of directly owning that Eldorado share. This means that the holder of the Eldorado CDI is not the registered holder of the underlying Eldorado share and therefore:

- cannot directly trade the underlying Eldorado share; and
- is a beneficial holder (rather than registered legal holder) of the underlying Eldorado share.

As noted in this section, there are certain differences which you should take into account in determining whether to elect to receive Scheme Consideration in the form of Eldorado shares instead of Eldorado CDIs.

As mentioned above under 'Voting', a holder of an Eldorado CDI cannot attend an Eldorado general meeting as a shareholder but can direct CDN how to vote or to appoint the holder as proxy.

8 Scheme Consideration

Eldorado CDIs will be quoted on ASX and Eldorado shares will be listed on TSX and NYSE

Eldorado CDIs will be tradeable on ASX only. This has the advantage that Eldorado CDIs can be traded during Australian business hours using Australian brokers in prices quoted in Australian dollars.

However, see section 6.5 for a discussion of the liquidity of the market for Eldorado CDIs and the potential risk that they may trade at a discount to Eldorado shares on TSX and NYSE.

Exercise of shareholder rights

As holders of Eldorado CDIs are not registered shareholders of Eldorado, the rights attaching to Eldorado shares which underlie their Eldorado CDIs must be exercised by CDN. A holder of Eldorado CDIs may instruct CDN to exercise those rights on their behalf. In contrast, a registered holder of Eldorado shares can directly exercise the rights attaching to their Eldorado shares in such manner as they choose.

Conversion of Eldorado shares into Eldorado CDIs

If you elect to receive Eldorado shares instead of Eldorado CDIs, it is possible to later convert them into Eldorado CDIs (e.g. because you would like to trade on ASX). You should contact Eldorado's transfer agent (Valiant Trust Company) if you wish to convert your Eldorado shares into Eldorado CDIs.

How to make a Share Election

To make a Share Election, contact the Sino Gold Scheme Registry (see contact details on the inside back cover of this booklet) and ask them to send you a Share Election Form. You should then complete and return the Share Election Form in accordance with the instructions on that form. The deadline for receipt of Share Election Forms by the Sino Gold Scheme Registry is 5.00pm¹ on the Record Date (currently Friday, 11 December 2009). If Eldorado is admitted to the official list of ASX, and you do not make a valid Share Election by 5.00pm¹ on the Record Date, you will receive Eldorado CDIs to be quoted on ASX by default.

Unless you are a trustee or nominee:

- you may only make a Share Election under a Scheme in respect of all your Scheme Consideration under that Scheme; and
- if you make a Share Election under a Scheme, it will be deemed to apply to all your Scheme Consideration under that Scheme regardless of whether the number of relevant Sino Gold securities you hold at 5.00pm¹ on the Record Date of the Scheme is greater or less than the number you held at the time you made your election.

Election by trustees and nominees

If you hold one or more parcels of Sino Gold securities as trustee or nominee for, or otherwise on account of, another person, you may make separate Share Elections under a Scheme in respect of each of those parcels (subject to you providing to Sino Gold and Eldorado any substantiating information they reasonably require) to reflect the fact that some of your beneficiaries may prefer to receive Scheme Consideration in the form of Eldorado CDIs while others may prefer to receive Scheme Consideration in the form of Eldorado shares. However, you may not accept instructions from a beneficiary to make a Share Election unless it is in respect of the Scheme Consideration attributable to all parcels of Sino Gold securities held by you on behalf of that beneficiary.

Variation or withdrawal of a Share Election

You may vary or withdraw a Share Election by following the instructions on the Share Election Form. The deadline for receipt by the Sino Gold Scheme Registry of instructions to vary or withdraw a Share Election is 5.00pm¹ on the Record Date. If your valid instructions are not received by this time, you will receive Eldorado shares listed on TSX and NYSE in accordance with your then current Share Election.

8.5 Sale Facility

If you are a Retail Securityholder under a Scheme who has made a valid election to participate in the Sale Facility or you are an Ineligible Foreign Securityholder, the Eldorado shares that would otherwise have been issued for you will be issued to the Sale Agent, as your nominee in trust, for sale through the Sale Facility and you will receive a pro rata share of the net proceeds converted into Australian dollars from the sale of all Eldorado shares sold through the Sale Facility.

Eldorado will establish the Sale Facility, and appoint Macquarie Capital Markets Canada Ltd, as Sale Agent, to sell the Eldorado shares referred to in the previous paragraph (**Sale Facility Shares**) under the Sale Facility.

If a Scheme becomes Effective, the Sale Facility Shares will be issued by Eldorado to the Sale Agent as nominee, in trust for the Sale Facility Participants on the Implementation Date and the Sale Agent must sell the Sale Facility Shares under the Sale Facility within 15 TSX Trading Days after the Implementation Date.

The Sale Agent may sell the Sale Facility Shares under the Sale Facility in such manner, at such price or prices and on such other terms as the Sale Agent determines in good faith. Sales will occur on market on TSX and/or other Canadian electronic markets (with proceeds received by the Sale Agent in C\$).

Note:

1 2.00pm Hong Kong time.

Following the last sale of Sale Facility Shares under the Sale Facility, the Sale Agent must convert the proceeds received from such sales (less any applicable taxes and currency conversion costs) into A\$ within five TSX Trading Days and pay the converted A\$ amount to Link Market Services Limited within a further one TSX Trading Day. Following receipt, Link Market Services Limited will despatch payment of each Sale Facility Participant's pro rata share of the converted A\$ amount (rounded down to the nearest cent) within seven Business Days in full satisfaction of the Sale Facility Participants' rights under the Share Scheme or the Option Scheme (as applicable).

The cash amount received by Sale Facility Participants will depend on the price at which the Sale Facility Shares can be sold under the Sale Facility by the Sale Agent at the relevant time, applicable exchange rates and the amount of any applicable taxes and currency conversion costs incurred by the Sale Agent in connection with sales under the Sale Facility. No brokerage is payable in connection with the Sale Facility.

A Sale Facility Participant's pro rata share of the Sale Facility proceeds may be more or less than the value of the Share Scheme Consideration or Option Scheme Consideration, as applicable, which that Sale Facility Participant would have received had they not been Sale Facility Participants. None of Sino Gold, Eldorado, Eldorado Pacific or the Sale Agent gives any assurance as to the price that will be achieved for the sale of Sale Facility Shares by the Sale Agent under the Sale Facility.

8.6 Sino Gold securityholders outside Australia

Restrictions in certain jurisdictions outside Australia may make it impractical or unlawful for Eldorado shares or Eldorado CDIs to be issued under a Scheme to, or received under a Scheme by, Eldorado securityholders in those jurisdictions.

Any Scheme Shareholder or Scheme Optionholder whose address as shown in the Sino Gold Share Register or the Sino Gold Option Register (as the case may be) at 5.00pm¹ on the Record Date is outside of Australia and its external territories, Canada, China (including Hong Kong but excluding Macao), New Zealand, Singapore, Switzerland, the United Kingdom or the United States of America, will be regarded as an Ineligible Foreign Securityholder for the purposes of the Share Scheme or Option Scheme (as the case may be), unless Eldorado determines in its absolute discretion that it is lawful and not unduly onerous or impracticable to issue Eldorado shares or Eldorado CDIs to the Scheme Shareholder or Scheme Optionholder when the Share Scheme or the Option Scheme (as the case may be) becomes Effective.

Ineligible Foreign Securityholders will not receive Eldorado CDIs or be entitled to make an election to receive Eldorado shares. Instead, all Ineligible Foreign Securityholders will have the Eldorado shares representing Eldorado CDIs that would otherwise have been issued to them under the Schemes issued to the Sale Agent, as nominee in trust for the Sale Facility Participants, for sale on market following implementation of the Schemes (see section 8.5 for more information about the Sale Facility).

Notice to Sino Gold securityholders in Canada

This booklet has not been approved or disapproved by any securities regulatory authority in Canada, nor has any securities regulatory authority passed upon the fairness or merits of the Schemes or upon the accuracy or adequacy of the information contained in this booklet and any representation to the contrary is unlawful.

Although Sino Gold is a reporting issuer in British Columbia, Quebec and Newfoundland, the booklet has not been prepared in accordance with the disclosure requirements applicable in Canada. As a designated foreign issuer (as defined in NI 71-102) subject to foreign regulatory requirements of a foreign regulatory authority (as defined in NI 71-102) in Australia (ASX and ASIC), Sino Gold is exempted from the disclosure requirements that would otherwise apply provided it complies with certain requirements, including complying with its applicable foreign disclosure requirements, files all the material relating to the meetings of the Sino Gold securityholders and sends the material to securityholders in Canada in the same manner and at the same time or as soon as practicable after, it sends it to Sino Gold securityholders in Australia.

The Eldorado shares and Eldorado CDIs being issued to Sino Gold securityholders in connection with the Schemes will be issued by Eldorado in reliance upon exemptions from the prospectus and registration requirements of securities legislation in each province and territory of Canada. Eldorado shares issued in connection with the Schemes may (through a registered dealer unless the dealer registration requirements do not apply) be resold in each province and territory in Canada, including through TSX, subject to the usual conditions that no unusual effort has been made to prepare the market or create a demand for the Eldorado shares and that no extraordinary commission or consideration is paid in respect of any trade and if the selling securityholder is an insider of Eldorado, he or she has no reasonable grounds to believe that Eldorado is in default of securities legislation. Resales of new Eldorado

Note:

1 2.00pm Hong Kong time.

8 Scheme Consideration

shares will, however, be subject to additional resale restrictions (including hold periods and advance notice requirements) where the sale is made from the holdings of any person or combination of persons holding a sufficient number of Eldorado shares or Eldorado CDIs to affect materially the control of Eldorado.

Notice to Sino Gold securityholders in the People's Republic of China

This booklet is for the exclusive use of Sino Gold securityholders in connection with their consideration of the Schemes. Accordingly, this booklet must not be distributed, published, reproduced or disclosed (in whole or in part) by Sino Gold securityholders to any other person in the People's Republic of China (PRC) or used for any purpose in the PRC other than in connection with Sino Gold securityholders' consideration of the Schemes. This booklet has not been filed with or approved by the China Securities Regulatory Commission. Sino Gold securityholders in the PRC should consult with their professional advisers as to whether any governmental or other consents are required or other formalities need to be observed to enable them to receive the Eldorado shares or the Eldorado CDIs under the Schemes.

Notice to Sino Gold securityholders in the European Union

This booklet has not been submitted for approval to the national securities regulator of any country in the European Economic Area and has not been prepared in accordance with the laws of any country in the European Economic Area. This booklet is not and shall not be read as any offer of Eldorado Securities to the public to any person in any country of the European Economic Area. Eldorado securities are not being offered, nor will they be offered, to the public in any Member State of the European Economic Area (including Members of the European Union, plus Iceland, Liechtenstein and Norway) which has implemented Directive 2003/71/EC (the **Prospectus Directive**) (each a **Relevant Member State**) with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the **Relevant Implementation Date**) prior to the publication of a prospectus in relation to the Eldorado securities which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that it may, with effect from and including the Relevant Implementation Date, make an offer to the public in that Relevant Member State at any time:

- (a) to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (b) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000; and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;
- (c) an offer of securities to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive); or
- (d) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

in each case in accordance with the national regulations of the Relevant Member State, provided that no such offering of Eldorado shares shall result in a requirement for the publication of a prospectus pursuant to Article 3 of the Prospectus Directive or pursuant to national regulations of the Relevant Member State.

As used above, the expression 'offered to the public' in relation to any securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Eldorado securities so as to enable an investor to decide to purchase or subscribe for the Eldorado securities, as the same may be varied in the Relevant Member State by any measure implementing the Prospectus Directive.

Where a country in the European Economic Area has not implemented the Prospectus Directive, Eldorado securities are not being offered, nor will they be offered, to the public in such country prior to the publication of a prospectus in relation to the Eldorado securities which has been approved by the competent authority in that country unless there is no obligation to publish a prospectus prior to the offer of Eldorado securities in such country in accordance with the applicable law, provided that no such offering of Eldorado securities shall result in a requirement for the publication of a prospectus pursuant to the applicable law.

Notice to Sino Gold securityholders in Hong Kong

This booklet is for the exclusive use of Sino Gold securityholders in connection with the Schemes. Accordingly, this booklet must not be distributed, published, reproduced or disclosed (in whole or in part) by Sino Gold securityholders to any other person in Hong Kong or used for any purpose in Hong Kong other than in connection with Sino Gold securityholders' consideration of the Schemes. This booklet does not constitute an offer or invitation for the subscription, sale or purchase of securities in Hong Kong and shall not form the basis of any contract.

Notice to Sino Gold securityholders in New Zealand

The Eldorado shares and Eldorado CDIs to be issued under the Schemes will be issued to New Zealand resident Sino Gold securityholders in reliance on the *Securities Act (Overseas Companies) Exemption Notice 2002* (NZ). This booklet is not a New Zealand prospectus or an investment statement and has not been registered, filed with or approved by any New Zealand regulatory authority under or in accordance with the *Securities Act 1978* (NZ) (or any other relevant New Zealand law). This booklet may not contain all the information that a prospectus or investment statement is required to contain under New Zealand law.

Notice to Sino Gold securityholders in Singapore

This booklet has not been lodged or registered with the Monetary Authority of Singapore (MAS). MAS assumes no responsibility for the contents of this booklet.

MAS has not in any way considered the merits of the Eldorado shares or Eldorado CDIs to be issued under the Schemes as described in this booklet.

Notice to Sino Gold securityholders in the United Kingdom

This booklet has not been prepared in order to comply with the laws of the United Kingdom nor has it been lodged, registered, approved or disapproved by any securities regulatory authority in the United Kingdom and, accordingly, no such regulator assumes responsibility for the contents of this booklet nor has in any way considered the merits of the Eldorado shares or Eldorado CDIs to be issued under the Schemes as described in this booklet.

Notice to Sino Gold securityholders in the United States of America

This booklet has not been prepared in accordance with applicable United States laws or regulations and has not been filed with or reviewed by the United States Securities and Exchange Commission or any United States state securities regulatory authority and none of them has passed upon or endorsed the merits of the Schemes or the accuracy, adequacy or completeness of this booklet. Any representation to the contrary is a criminal offence.

The Eldorado shares and Eldorado CDIs to be issued under the Schemes have not been, and will not be, registered under the *Securities Act* of 1933, as amended (**Securities Act**), and may not be offered or sold in the United States or to U.S. Persons (as defined in Regulation S under the *Securities Act*) unless the securities are registered under the *Securities Act*, or an exemption from the registration requirements of the *Securities Act* is available.

Any Eldorado shares or Eldorado CDIs issued under the Schemes will be issued in reliance on the exemption from the registration requirements of the *Securities Act* provided in section 3(a)(10).

If the Court approves the Schemes, its approval will constitute the basis for the Eldorado shares and Eldorado CDIs to be issued under the Schemes without registration under the *Securities Act*, in reliance on the exemption from the registration requirements of the *Securities Act* provided by section 3(a)(10) of the *Securities Act*.

Persons who are not and who will not be following the implementation of the Schemes, affiliates of Eldorado, may resell their new Eldorado shares and Eldorado CDIs in the United States of America without restriction under the *Securities Act*.

Eldorado shares and Eldorado CDIs issued under the Schemes to any person who is an 'affiliate' of Eldorado under Rule 144 under the *Securities Act*, may not be resold in the United States of America or to a U.S. Person except in accordance with the provisions of Rule 144 under the *Securities Act*, outside of the United States of America in reliance upon Regulation S under the *Securities Act* or as otherwise permitted by the *Securities Act*.

Resale of Eldorado shares and Eldorado CDIs in Canada and the United States of America by any Sino Gold securityholder

Eldorado shares and Eldorado CDIs issued in connection with the Schemes may (through a registered dealer unless the dealer registration requirements do not apply) be resold in each province and territory in Canada, including, in respect of Eldorado shares only, through TSX, subject to the usual conditions that no unusual effort has been made to prepare the market or create a demand for the Eldorado shares or Eldorado CDIs and that no extraordinary commission or consideration is paid in respect of any trade and if the selling securityholder is an insider of Eldorado, he or she has no reasonable grounds to believe that Eldorado is in default of securities legislation. Resales of new Eldorado shares and Eldorado CDIs will, however, be subject to additional resale restrictions (including hold periods and advance notice requirements) where the sale is made from the holdings of any person or combination of persons holding a sufficient number of Eldorado shares or Eldorado CDIs to affect materially the control of Eldorado.

8 Scheme Consideration

Persons who are not and who will not be following the implementation of the Schemes, affiliates of Eldorado, may resell their new Eldorado shares and Eldorado CDIs in the United States of America without restriction under the Securities Act. However, Eldorado shares and Eldorado CDIs issued under the Schemes to any person who is an 'affiliate' of Eldorado under Rule 144 under the Securities Act, may not be resold in the United States of America or to a U.S. Person except in accordance with the provisions of Rule 144 under the Securities Act, outside of the United States of America in reliance upon Regulation S under the Securities Act or as otherwise permitted by the Securities Act.

The forgoing discussion is only a general overview of the requirements of Canadian and United States securities laws for the resale of the new Eldorado shares and Eldorado CDIs. Each Sino Gold securityholder is urged to consult his or her professional advisors to determine the conditions and restrictions on trading in Eldorado shares and Eldorado CDIs in Canada or the United States of America.

Certain Australian taxation considerations

9



9 Certain Australian taxation considerations

This section provides general comments on the Australian tax consequences for Sino Gold securityholders arising from the disposal of their Sino Gold shares or the cancellation of their Sino Gold options under the Schemes.

This section merely provides general comments on the taxation consequences of the Schemes for Sino Gold securityholders. Sino Gold securityholders should obtain, and only rely upon, their own professional taxation advice about the consequences of (i) disposing of Sino Gold shares or cancelling Sino Gold options for Eldorado CDIs or Eldorado shares or (ii) participating in the Sale Facility (as applicable), having regard to their own specific circumstances.

The comments below on income tax are based on the *Income Tax Assessment Act 1936* (Cth) and the *Income Tax Assessment Act 1997* (Cth) (collectively referred to as the **Tax Act**) and relevant ATO pronouncements at the date of this booklet, except as otherwise indicated.

The comments made below regarding an Eldorado share apply equally to an Eldorado CDI.

9.1 Share Scheme taxation consequences Scope

This section does not attempt to address the Australian taxation consequences relevant to all Sino Gold shareholders pursuant to the Share Scheme. Specifically, it does not consider the consequences for Sino Gold optionholders (see section 9.2). This statement addresses the tax consequences only for Sino Gold shareholders who hold their shares as capital assets and does not address the tax consequences for Sino Gold shareholders who hold their shares as revenue assets or trading stock or as assets used in carrying on a business.

Australian resident Sino Gold shareholders Capital Gains Tax

The disposal of Sino Gold shares to Eldorado will be a Capital Gains Tax (**CGT**) event for Sino Gold shareholders. This CGT event will occur on the Implementation Date.

Sino Gold shareholders will derive a capital gain on the disposal of their Sino Gold shares to the extent that:

- (a) the market value of any Eldorado shares they receive (described below); or
- (b) in the case of Retail Securityholders who have participated in the Sale Facility, their pro rata share of the net proceeds converted into Australian dollars from the sale of all Eldorado shares by the Sale Agent through the Sale Facility,

exceeds the tax cost base of their Sino Gold shares. Conversely, Sino Gold shareholders will incur a capital loss on the disposal of their Sino Gold shares to the extent that the amount in (a) or (b) above (as applicable) is less than the reduced tax cost base of their Sino Gold shares. The market value of an Eldorado share should be calculated as the volume weighted average price of that share on the Implementation Date. As soon as practicable after the Implementation Date, Eldorado will post that value on its website (www.eldoradogold.com).

Generally the tax cost base of any Sino Gold shares will be equal to the consideration paid to acquire the Sino Gold shares. In addition, other incidental costs of acquiring the Sino Gold shares (such as brokerage fees and stamp duty) may be included in the tax cost base.

The sum of a Sino Gold shareholder's capital gains for an income year reduced by any capital loss incurred during the year, or carried forward from previous years, (known as the net capital gain) should be included in their assessable income.

Australian resident individual Sino Gold shareholders who have held their Sino Gold shares for greater than 12 months should be able to discount their capital gain by 50%. Similarly, an eligible superannuation entity that has held its Sino Gold shares for greater than 12 months should be able to discount its capital gain by 33.3%. The discount will be applied to a shareholder's capital gain for the period after the offset of any capital losses. Corporate Sino Gold shareholders are not entitled to discount their capital gain.

If a Sino Gold shareholder is unable to obtain the CGT relief described under the section entitled '*Availability of CGT roll-over relief*' below, the tax cost base of any Eldorado shares received will be the market value of the Sino Gold shares exchanged on the Implementation Date (which we expect to be the amount in (a) above). The date of acquisition for CGT purposes will be the Implementation Date. This date will be relevant for any future qualification for the CGT discount with respect to CGT events happening to the Eldorado shares.

Availability of CGT roll-over relief

Sino Gold shareholders who would make a capital gain on the disposal of their Sino Gold shares for Eldorado shares should be eligible to make a choice whether or not to apply CGT roll-over relief. The receipt by Sino Gold shareholders of Eldorado CDIs, rather than the underlying Eldorado shares, should not preclude qualification for the roll-over on the basis that the Eldorado CDIs will be CHES Units of Foreign Securities. Participation by Retail Securityholders in the Sale Facility will preclude qualification for CGT roll-over relief.

If a Sino Gold shareholder elects to apply CGT roll-over relief, a capital gain that they would otherwise make on the disposal of their Sino Gold shares will be disregarded.

Where roll-over relief is elected, the tax cost base of the Sino Gold shares disposed of would become the tax cost base of the Eldorado shares. This tax cost base will be allocated on a proportionate basis across the Eldorado shares received. For any subsequent determination of the application of the CGT discount, the date on which the Sino Gold shareholders will be deemed to acquire the Eldorado shares will be the day they acquired their Sino Gold shares.

The benefit of choosing scrip-for-scrip roll-over relief will depend upon the individual circumstances of each Sino Gold shareholder.

Sino Gold shares acquired on exercise of Sino Gold employee options

In the May 2009 Federal Budget, the Government announced significant changes to the taxation of shares and rights acquired under employee share schemes. Exposure draft legislation containing the proposed changes was released on 14 August 2009 with additional sections released on 15 September 2009 (the **Exposure Draft**). Following further public consultation, final draft legislation was tabled in Parliament on 21 October 2009 as Schedule 1 of *Tax Laws Amendment (2009 Budget Measures No 2) Bill 2009* (Cth) (the **Bill**). The new laws are proposed to apply to employee share awards granted from 1 July 2009 with transitional provisions which apply a modified version of the new rules to employee share awards granted prior to 1 July 2009, and which have not been subject to tax before that date.

The Productivity Commission and the Board of Taxation are also further considering the taxation of employee share schemes and those reviews may impact the final form of the new rules.

The discussion below assumes that the final legislation will be enacted in the same form as the Bill. However, it is possible that the final form of legislation enacted will differ from the Bill (and the proposed rules may also be affected by the other Government reviews impacting employee share schemes). For this reason, we strongly recommend that Sino Gold shareholders who acquired their shares on exercise of Sino Gold options granted with respect to employment with Sino Gold or one of its subsidiaries should seek and only rely upon their own professional tax advice in this regard.

On the basis of the proposed new rules, if a Sino Gold shareholder's shares were acquired on exercise of Sino Gold options granted with respect to employment with Sino Gold, the following applies.

- (a) If the Sino Gold options were exercised (or in the case of Sino Gold options acquired on or after 1 July 2009, the options became exercisable) within 30 days prior to the Implementation Date and the Sino Gold shareholder had not been previously subject to tax on their Sino Gold options, the Sino Gold shareholder should be subject to tax on the exercise of the Sino Gold options for options acquired before 1 July 2009, or on the options becoming exercisable for Sino Gold options acquired on or after 1 July 2009. The taxing time would be deemed to be the date the Sino Gold shares are disposed of (i.e. the Implementation Date).

Generally, the amount on which the Sino Gold shareholder would be subject to tax under this scenario is:

- (i) the market value of the Sino Gold shares immediately before they are transferred to Eldorado on the Implementation Date, which is likely to equate to the then market value of any Eldorado shares received under the Share Scheme (as soon as practicable after the Implementation Date, Eldorado will post that value on its website (www.eldoradogold.com)); or
- (ii) in the case of a Retail Securityholder who has participated in the Sale Facility, their pro rata share of the net proceeds converted into Australian dollars from the sale of all Eldorado shares by the Sale Agent through the Sale Facility,

less the cost of the options together with the exercise price paid. This amount would be taxed as remuneration income at the Sino Gold shareholder's marginal rate of tax (plus Medicare levy), not as a capital gain. Sino Gold shareholders in these circumstances who acquired their options on or after 1 July 2009 and have not quoted their Tax File Number to their Sino Gold employer for the financial year in which the Implementation Date occurs may also be liable to their employer for any TFN withholding tax the employer (or other Sino Gold entity) is required to pay with respect to their Sino Gold options.

The Sino Gold shareholder in this case should not be subject to CGT on the disposal of the Sino Gold shares under the Share Scheme.

9 Certain Australian taxation considerations

- (b) If the Sino Gold options were not exercised within 30 days prior to the Implementation Date, the Sino Gold shareholder should have been subject to tax on the exercise of the options (or in the case of Sino Gold options acquired on or after 1 July 2009, at the time the options became exercisable), unless the Sino Gold shareholder was subject to tax on the options at an earlier time (such as where the Sino Gold shareholder elected to be taxed on the options in the year they were acquired or on ceasing employment with the Sino Gold group).

The disposal of the Sino Gold shares under the Share Scheme will be a CGT event and the CGT consequences described above will apply to the Sino Gold shareholder. For that purpose, the tax cost base for the Sino Gold shares will be the sum of the taxable value of those Sino Gold options when they were taxed at the earlier taxing time, together with the exercise price, if any, paid on exercise of the Sino Gold options.

Consequences of holding Eldorado shares

Subsequent disposal of Eldorado shares

If an Australian resident Sino Gold shareholder sells their Eldorado shares after the Implementation Date, any gain or loss will be subject to CGT as the Eldorado shares will be an asset for CGT purposes.

Dividend Income

Dividends received by Australian resident Sino Gold shareholders with respect to Eldorado shares must be included in their assessable income, including any amount of Canadian withholding tax withheld with respect to those dividends.

Refer to section 10 for information regarding Canadian withholding tax on dividends paid to Australian residents. Where dividends are subject to Canadian withholding tax, the withholding tax should be creditable as a foreign income tax offset (**FITO**) against the Sino Gold shareholder's Australian tax liability. The amount of the FITO will be limited to the greater of A\$1,000 and the Australian tax payable on assessable foreign income for the year (less relevant deductions).

Foreign Investment Fund (FIF) rules

Under the FIF rules, Australian residents that have an interest in a foreign company at the end of an income year may be taxed on the company's income on an accruals basis (rather than when the company distributes its income). The FIF rules are complex and will need to be considered by each Australian resident Eldorado shareholder. However, the FIF rules are unlikely to apply to Eldorado shareholders if at all relevant times Eldorado carries on a gold production and exploration business and therefore satisfies the 'eligible activities' FIF exemption.

In the May 2009 Federal Budget, the Government announced proposed reforms to remove the FIF provisions and replace them with more specific targeted anti-avoidance rules. However, the existing FIF rules will continue to apply until the proposed measures are introduced.

Given the proposed reforms, Sino Gold shareholders should seek and only rely upon their own professional tax advice in this regard.

Other matters

- (a) **(Goods and Services Tax)** No GST should be payable in Australia by Sino Gold shareholders on the disposal of Sino Gold shares or on the issue of Eldorado shares or participation in the Sale Facility.
- (b) **(Stamp Duty)** No stamp duty should be payable in Australia by Sino Gold shareholders on the disposal of Sino Gold shares or on the issue of Eldorado shares or participation in the Sale Facility.

Non-Australian resident Sino Gold shareholders

Non-Australian resident Sino Gold shareholders should seek their own independent tax advice on the tax consequences in their country of residence of the Share Scheme and holding Eldorado shares. The statements below are limited to the Australian tax consequences to those non-Australian resident Sino Gold shareholders and to those whose shares are held as capital assets.

Disposal of Sino Gold shares

If under the criteria set out below the Sino Gold shares are not considered to be 'taxable Australian property' (**TAP**) at the Implementation Date, non-resident Sino Gold shareholders should not be subject to Australian CGT on disposal of their Sino Gold shares under the Share Scheme.

Non-resident Sino Gold shareholders that realise a capital gain on the disposal of Sino Gold shares under the Share Scheme would be subject to Australian CGT to the extent that the Sino Gold shares are TAP. Broadly, Sino Gold shares would be TAP of a non-resident Sino Gold shareholder if the shareholder, together with associates, holds 10% or more of the shares in Sino Gold at the time of disposal or throughout a 12-month period during the two years before the disposal, and the majority of Sino Gold's assets consist of real property situated in Australia.

Consequences of holding Eldorado shares

- (a) **(Subsequent disposal of Eldorado shares)**
Non-resident Sino Gold shareholders should not be subject to Australian tax on the future disposal of their Eldorado shares, except if the Eldorado shares are effectively connected with a permanent establishment or fixed base which the non-resident has in Australia.
- (b) **(Dividends)** Non-resident Sino Gold shareholders should not be subject to Australian tax on dividends received on Eldorado shares.

9.2 Option Scheme tax consequences

Scope

This section does not attempt to address the Australian taxation consequences relevant to all Sino Gold optionholders pursuant to the Option Scheme. Specifically, it does not address the tax consequences for Sino Gold shareholders (see section 9.1). This statement does not address the tax consequences for Sino Gold optionholders who are not Australian resident individuals. This statement addresses the tax consequences only for Australian resident Sino Gold optionholders who hold their options as capital assets and does not address the tax consequences for Sino Gold optionholders who hold their options as revenue assets or trading stock or as assets used in carrying on a business.

Cancellation of options – Sino Gold employee optionholders

This subsection addresses the taxation consequences for Sino Gold optionholders who acquired their options with respect to employment with Sino Gold where that employment solely related to work in Australia while an Australian resident.

In the May 2009 Federal Budget, the Government announced significant changes to the taxation of shares and rights acquired under employee share schemes. Exposure draft legislation containing the proposed changes was released on 14 August 2009 with additional sections released on 15 September 2009 (the **Exposure Draft**). Following further public consultation, final draft legislation was tabled in Parliament on 21 October 2009 as Schedule 1 of *Tax Laws Amendment (2009 Budget Measures No 2) Bill 2009* (Cth) (the **Bill**).

The new laws are proposed to apply to employee share awards granted from 1 July 2009 with transitional provisions which apply a modified version of the new rules to employee share awards granted prior to 1 July 2009, and which have not been subject to tax before that date.

The Productivity Commission and the Board of Taxation are also further considering the taxation of employee share schemes and those reviews may impact the final form of the new rules.

The discussion below assumes that the final legislation will be enacted in the same form as the Bill. However, it is possible that the final form of legislation enacted will differ from the Bill (and the proposed rules may also be affected by the other Government reviews impacting employee share schemes). For this reason, we strongly recommend that Sino Gold shareholders whose options were granted with respect to employment with Sino Gold or one of its subsidiaries should seek and only rely upon their own professional tax advice in this regard.

Sino Gold employee options acquired before 1 July 2009

- (a) **(Sino Gold employee options not previously subject to tax)** If Sino Gold optionholders who acquired their Sino Gold options prior to 1 July 2009 with respect to employment with Sino Gold have not been subject to tax with respect to the acquisition of those options before the Implementation Date, then they will be subject to tax on cancellation of their Sino Gold options under the Option Scheme.

On the basis of the Bill, the amount on which the Sino Gold optionholders would be subject to tax under this scenario is:

- (i) the market value of the Sino Gold options immediately before they are cancelled on the Implementation Date, which is likely to equate to the then market value of any Eldorado shares received under the Option Scheme (as soon as practicable after the Implementation Date, Eldorado will post that value on its website (www.eldoradogold.com)); or
- (ii) in the case of Retail Securityholders who have participated in the Sale Facility, their pro rata share of the net proceeds converted into Australian dollars from the sale of all Eldorado shares by the Sale Agent through the Sale Facility.

This amount will be taxed as remuneration income at each Sino Gold optionholder's marginal rate of tax (plus Medicare levy), not as a capital gain.

9 Certain Australian taxation considerations

The tax cost base of any Eldorado shares received will be the market value of the Sino Gold options immediately before they are cancelled (which we expect to be the amount in (i) above). The date of acquisition for CGT purposes will be the Implementation Date. This date will be relevant for any future qualification for the CGT discount with respect to CGT events happening to the Eldorado shares.

- (b) **(Sino Gold employee options previously subject to tax)** If Sino Gold optionholders who acquired their Sino Gold options prior to 1 July 2009 with respect to employment with Sino Gold have been subject to tax with respect to the acquisition of those options before the Implementation Date (such as by electing to pay tax in the year that the Sino Gold options were acquired or by ceasing employment prior to the Implementation Date) then the cancellation of their Sino Gold options under the Option Scheme will be a CGT event for them. The CGT event will occur on the Implementation Date.

Sino Gold optionholders will derive a capital gain on the cancellation of their Sino Gold options to the extent that:

- (i) the market value of any Eldorado shares they receive (described below); or
- (ii) in the case of Retail Securityholders who have participated in the Sale Facility, their pro rata share of the net proceeds converted into Australian dollars from the sale of all Eldorado shares by the Sale Agent through the Sale Facility,

exceeds the tax cost base of the Sino Gold options. Conversely, Sino Gold optionholders will incur a capital loss on the cancellation of their Sino Gold options to the extent that the amount in (i) or (ii) (as applicable) is less than the reduced tax cost base of their Sino Gold options. The market value of an Eldorado share should be calculated as the volume weighted average price of that share on the Implementation Date. As soon as practicable after the Implementation Date, Eldorado will post that value on its website (www.eldoradogold.com).

Generally the tax cost base of any Sino Gold options will be the sum of the taxable value of those options at the earlier taxing time (i.e. in the year they were acquired or on cessation of employment).

The sum of a Sino Gold optionholder's capital gains for an income year reduced by any capital loss incurred during the year, or carried forward from previous years, (known as the net capital gain) should be included in their assessable income.

Australian resident individual Sino Gold optionholders who have held their Sino Gold options for greater than 12 months should be able to discount their capital gain by 50%. The discount will be applied to the optionholders' capital gain for the period after the offset of any capital losses.

No roll-over relief is available in respect of the cancellation of the Sino Gold options under the Option Scheme.

The tax cost base of any Eldorado shares received will be the market value of the Sino Gold options immediately before they are cancelled (which we expect to be the amount in (i) above). The date of acquisition for CGT purposes will be the Implementation Date. This date will be relevant for any future qualification for the CGT discount with respect to CGT events happening to the Eldorado shares.

Sino Gold employee options acquired on or after 1 July 2009

The Bill sets out the proposed taxation treatment of grants of rights, such as the Sino Gold options, on or after 1 July 2009. On the basis of that draft, a Sino Gold optionholder who acquired their Sino Gold options on or after 1 July 2009 with respect to employment with Sino Gold would be taxable with respect to the acquisition of the Sino Gold options at the time they are acquired or at a deferred time (where certain conditions are met) as remuneration income, rather than as a capital gain.

If, as appears to be the case, the deferral conditions in the Bill would be met, then a Sino Gold optionholder who acquired their options on or after 1 July 2009 is likely to be subject to taxation under the proposed new rules on the cancellation of Sino Gold options, unless the Sino Gold options were taxable at an earlier date (such as on cessation of employment or when the options became exercisable). Sino Gold options which are not otherwise exercisable, will become exercisable on the Effective Date under the Option Scheme, however it is expected that the options will be cancelled within 30 days of the Effective Date so that, under the Bill, the cancellation of the Sino Gold options will be the relevant taxing time for those Sino Gold optionholders.

On the basis of the Bill, it appears that the amount on which the Sino Gold optionholders would be subject to tax under this scenario is:

- (a) the market value of the Sino Gold options immediately before they are cancelled on the Implementation Date, which is likely to equate to the then market value of any Eldorado shares received under the Option Scheme (as soon as practicable after the Implementation Date, Eldorado will post that value on its website (www.eldoradogold.com)); or
- (b) in the case of Retail Securityholders who have participated in the Sale Facility, their pro rata share of the net proceeds converted into Australian dollars from the sale of all Eldorado shares by the Sale Agent through the Sale Facility.

This amount will be taxed as remuneration income at each Sino Gold optionholder's marginal rate of tax (plus Medicare levy), not as a capital gain. Sino Gold optionholders in these circumstances who have not quoted their Tax File Number to their Sino Gold employer for the financial year in which the Implementation Date occurs may also be liable to their employer for any TFN withholding tax the employer (or other Sino Gold entity) is required to pay with respect to their Sino Gold options.

The tax cost base of any Eldorado shares received will be the market value of the Sino Gold options immediately before they are cancelled (which we expect to be the amount in (a) above). The date of acquisition for CGT purposes will be the Implementation Date. This date will be relevant for any future qualification for the CGT discount with respect to CGT events happening to the Eldorado shares.

Cancellation of Sino Gold options – non-employee Sino Gold optionholders

The cancellation of Sino Gold options under the Option Scheme will be a CGT event for Sino Gold optionholders who did not acquire their Sino Gold options in connection with employment with Sino Gold. The CGT event will occur on the Implementation Date.

Sino Gold optionholders will derive a capital gain on the cancellation of their Sino Gold options to the extent that:

- (a) the market value of any Eldorado shares they receive (described below); or
- (b) in the case of Retail Securityholders who have participated in the Sale Facility, their pro rata share of the net proceeds converted into Australian dollars from the sale of all Eldorado shares by the Sale Agent through the Sale Facility,

exceeds the tax cost base of the Sino Gold options. Conversely, Sino Gold optionholders will incur a capital loss on the cancellation of their Sino Gold options to the extent that the amount in (a) or (b) (as applicable) is less than the reduced tax cost base of their Sino Gold options. The market value of an Eldorado share should be calculated as the volume weighted average price of that share on the Implementation Date. As soon as practicable after the Implementation Date, Eldorado will post that value on its website (www.eldoradogold.com).

Generally the tax cost base of any Sino Gold options will be equal to the consideration paid to acquire the Sino Gold options, if any. In addition, other incidental costs of acquiring the Sino Gold options (such as borrowing costs and stamp duty) may be included in the tax cost base.

The sum of a Sino Gold optionholder's capital gains for an income year reduced by any capital loss incurred during the year, or carried forward from previous years, (known as the net capital gain) should be included in their assessable income.

Australian resident individual Sino Gold optionholders who have held their Sino Gold options for greater than 12 months should be able to discount their capital gain by 50%. The discount will be applied to the optionholders' capital gain for the period after the offset of any capital losses.

The tax cost base of the Eldorado shares received will be the market value of the Sino Gold options immediately before they are cancelled (which we expect to be the amount in (a) above). The date of acquisition for CGT purposes will be the Implementation Date. This date will be relevant for any future qualification for the CGT discount with respect to CGT events happening to the Eldorado shares.

Consequences of holding Eldorado shares Subsequent disposal of Eldorado shares

If an Australian resident Sino Gold optionholder sells their Eldorado shares after the Implementation Date, any gain or loss will be subject to CGT as the Eldorado shares will be an asset for CGT purposes.

Dividend income

Dividends received by Australian resident Sino Gold optionholders with respect to Eldorado shares must be included in their assessable income, including any amount of Canadian withholding tax withheld on those dividends.

9 Certain Australian taxation considerations

Refer to section 10 for information regarding Canadian withholding tax on dividends paid to Australian residents. Where dividends are subject to Canadian withholding tax, the withholding tax should be creditable as a foreign income tax offset (**FITO**) against the Sino Gold optionholder's Australian tax liability. The amount of the FITO will be limited to the greater of A\$1,000 and the Australian tax payable on assessable foreign income for the year (less relevant deductions).

Foreign Investment Fund (FIF) rules

Under the FIF rules, Australian residents who have an interest in a foreign company at the end of an income year may be taxed on the company's income on an accruals basis (rather than when the company distributes its income). The FIF rules are complex and will need to be considered by each Australian resident Eldorado shareholder. However, the FIF rules are unlikely to apply to Eldorado shareholders if at all relevant times the Eldorado Group carries on a gold production and exploration business and therefore satisfies the 'eligible activities' FIF exemption.

In the May 2009 Federal Budget, the Government announced proposed reforms to remove the FIF provisions and replace them with more specific targeted anti-avoidance rules. However, the existing FIF rules will continue to apply until the proposed measures are introduced.

Given the proposed reforms, Sino Gold optionholders should seek and only rely upon their own professional tax advice in this regard.

Other matters

- (a) **(Goods and Services Tax)** No GST should be payable in Australia by Sino Gold optionholders on the cancellation of Sino Gold options or on the issue of Eldorado shares or participation in the Sale Facility.
- (b) **(Stamp Duty)** No stamp duty should be payable in Australia by Sino Gold optionholders on the cancellation of Sino Gold options or on the issue of Eldorado shares or participation in the Sale Facility.

Certain Canadian federal income tax considerations

10

10 Certain Canadian federal income tax considerations

The following comments on Canadian federal income tax considerations are based on the current provisions of the *Income Tax Act* (Canada) (the **Canadian Tax Act**) and the current provisions of the Australia-Canada Income Tax Convention (the **Australia-Canada Treaty**).

These comments are of a general nature and are not intended to be, and should not be construed to be, legal, business or tax advice to any particular Sino Gold securityholder. The following comments also do not address all of the Canadian income tax consequences for Sino Gold optionholders who acquired Sino Gold options in respect of, in the course of, or by virtue of employment exercised in Canada. Sino Gold securityholders are urged to consult their tax adviser as to the taxation consequences of their particular circumstances.

The comments made below regarding an Eldorado share apply equally to an Eldorado CDI.

- (a) **(Sino Gold securityholders who are not resident in Canada)** The following comments in paragraphs (b) through (d) apply only to Sino Gold securityholders who, for purposes of the Canadian Tax Act and at all relevant times, are not resident in Canada, will hold their Eldorado shares as capital property, and do not use or hold their Sino Gold shares or Eldorado shares in connection with a business carried on in Canada (**non-Canadian holders**).
- (b) **(Receipt of Eldorado shares in exchange for Sino Gold shares or upon cancellation of Sino Gold options)** There will be no Canadian income tax consequences when a non-Canadian holder receives Eldorado shares pursuant to the Share Scheme or Option Scheme. The Eldorado shares received should have a cost for Canadian income tax purposes equal to the fair market value of the Sino Gold shares exchanged or Sino Gold options cancelled, as the case may be, immediately before the relevant Scheme becomes Effective.
- (c) **(Dividends on Eldorado shares)** Dividends paid on Eldorado shares to a non-Canadian holder generally will be subject to Canadian withholding tax at the rate of 25%. This rate, however, may be reduced under the provisions of an applicable income tax treaty. For example, under the Australia-Canada Treaty, the rate is generally reduced to 15% in respect to dividends paid to a person who is a resident of Australia for the purposes of the Treaty.
- (d) **(Capital gain or loss on a subsequent disposal of Eldorado shares)** A non-Canadian holder will not be subject to tax on any capital gain realised on a disposition or deemed disposition of Eldorado shares provided such shares are not 'taxable Canadian property' to such holder at the time of disposition. Generally, Eldorado shares will not be taxable Canadian property to a non-Canadian holder provided that such shares are listed on a designated stock exchange, which includes TSX, and the holder, persons with whom such holder does not deal at arm's length, or the holder and such persons, has not owned 25% or more of the issued shares of Eldorado at any time during the 60-month period that ends at the date in question.
- Even if Eldorado shares constitute taxable Canadian property to a particular non-Canadian holder, any capital gain arising on their disposition may be exempt from Canadian tax under the provisions of an applicable income tax treaty. The Australia-Canada Treaty generally would not provide an exemption from Canadian income tax for non-Canadian holders who realise capital gains from the disposition of Eldorado shares which are taxable Canadian property of the holder.
- A non-Canadian holder whose Eldorado shares are taxable Canadian property generally will be required to file a tax return for purposes of the Canadian Tax Act for any taxation year in which a disposition or deemed disposition of those shares results in a capital gain which is not exempt from Canadian tax under the provisions of any applicable income tax treaty. Non-Canadian holders whose Eldorado shares may be taxable Canadian property should consult with their tax advisor for advice as to the taxation consequences of their particular circumstances.

Comparison of relevant Australian and Canadian laws

11

11 Comparison of relevant Australian and Canadian laws

11.1 Introduction

Sino Gold is a public company registered in New South Wales under Australian law. It is admitted to the official list of ASX and maintains a secondary listing on HKSE.

Eldorado was originally incorporated under Bermudan law but was continued and now exists under, and is regulated by, Canadian law. Eldorado shares are listed on TSX and NYSE.

If the Schemes are implemented, the rights of Sino Gold securityholders who receive Eldorado shares or Eldorado CDIs will, in respect of those shares or the shares represented by those CDIs, be governed principally by Canadian law, the TSX Company Manual, and Eldorado's restated articles of incorporation and by-laws. In addition, the rights of Sino Gold securityholders who receive Eldorado CDIs will be governed by the terms of the CDIs, the ASTC Settlement Rules and the ASX Listing Rules but, other than in limited situations, not by the Corporations Act.

Eldorado will apply for a full listing on ASX (as opposed to an exempt foreign listing). A foreign company with a full listing on ASX must comply with all ASX Listing Rules, subject to any specific waivers granted by ASX. Eldorado has sought specific waivers from ASX of some ASX Listing Rules (see section 12.5 for more information).

A comparison of some of the material provisions of Australian company law and Canadian company law as they relate to Sino Gold and Eldorado respectively is set out below, along with a description of certain securities laws and stock exchange rules where applicable.

Canadian company law is essentially embodied in the provisions of the relevant federal or provincial corporate statutes pursuant to which companies are incorporated or continued. In the case of Eldorado, the relevant statute is the *Canada Business Corporations Act* (Canada) (**CBCA**).

References to 'Australian law' where they appear in this section are references to the Corporations Act, ASX Listing Rules, ASTC Settlement Rules and Australian common law, as applicable. References to 'Canadian law' are references to the CBCA, the TSX Company Manual, applicable Canadian securities laws and Canadian common law, as applicable.

The comparison below is not an exhaustive statement of all relevant laws, rules and regulations and is intended as a general guide only. Sino Gold securityholders should consult with their own legal adviser if they require further information.

11.2 Meetings of shareholders

Calling meetings

Sino Gold

Under Australian law, the annual general meeting of Sino Gold is required to be held within five months after the end of its financial year.

A general meeting of Sino Gold shareholders may be called from time to time by the Sino Gold Board, individual directors or by shareholders in the circumstances set out below.

- When requested to do so by shareholders holding at least 5% of the votes that may be cast at the meeting or at least 100 shareholders who are entitled to vote at the meeting, directors must call a general meeting within 21 days after the request is given to Sino Gold, and the meeting must be held not later than two months after the request is given.
- Alternatively, shareholders holding at least 5% of the votes that may be cast at the meeting may themselves call, and arrange to hold, a general meeting.

Eldorado

The relevant provision of the CBCA provides that an annual meeting of shareholders must be called by the directors not later than 15 months after holding the last preceding annual meeting and, in any event, no later than six months after the end of the company's preceding financial year.

The CBCA, as well as Eldorado's by-laws, provide that the board of directors may call a special meeting of shareholders at any time. The CBCA further provides that the holders of not less than 5% of the issued shares of a company that carry the right to vote at a meeting may requisition the directors to call a meeting of shareholders for the purposes stated in the requisition.

Notice of meetings

Sino Gold

As Sino Gold is quoted on ASX, notice of a general meeting of Sino Gold must be given at least 28 days before the date of the meeting. Sino Gold is required to give notice only to shareholders entitled to vote at the meeting as well as its directors, auditors and every person entitled to a Sino Gold share in consequence of the death or bankruptcy of a shareholder who, but for his or her death or bankruptcy, would be entitled to receive notice of the meeting.

The quorum for a meeting under the Sino Gold Constitution is three shareholders. However, if within 30 minutes after the time for a meeting a quorum is not present, the meeting:

-
- (a) if called by, or upon the requisition of, shareholders, is dissolved; and
- (b) in any other case, is adjourned to the date, time and place the directors specify or, if they do not specify a date, the same day in the next week; if they do not specify a time, the same time; and if they do not specify a place, the same place.

At a meeting adjourned under (b), if no quorum is present at the resumed meeting within 30 minutes after the time for the meeting, the meeting is dissolved.

Eldorado

The CBCA requires that at least 21 days' notice and not more than 60 days' notice be given for all meetings. In addition, as a 'reporting issuer' under Canadian securities legislation, Eldorado must also make an advance notice filing, giving notice of the meeting to all depositaries, the applicable securities regulatory authority and TSX prior to the record date (subject to the fulfilment of certain conditions). Under the CBCA, the record date for determining who the shareholders are for the purposes of voting at and receiving notice of a meeting may not be less than 21 days nor more than 60 days prior to the date for the meeting, and notice of any record date must be given not less than seven days in advance of the record date in the manner provided in the CBCA. Under applicable securities laws, the record date for notice must not be less than 30 days in advance of the record date, subject to certain exceptions.

Under the CBCA, Eldorado is required to give notice only to registered shareholders entitled to vote at the meeting as well as its directors, officers and auditors. Under applicable Canadian securities laws, Eldorado is also required to give notice to certain beneficial shareholders.

Notice of an annual meeting need not include a description of the purpose or purposes for which the meeting is called. Notice of a meeting at which special business is to be transacted must state the nature of that business in sufficient detail to permit the shareholder to form a reasoned judgement thereon, as well as the text of any special resolution to be submitted to the meeting. Any business, other than the election of directors, reappointment of the incumbent auditor and consideration of the financial statements and auditor's report, is deemed to be special business. Management proxy circulars, in the required form, are required to be provided, both under applicable Canadian securities laws and the CBCA, for any solicitation of proxies by management.

If a meeting of shareholders is adjourned for less than 30 days, it is not necessary to give notice of the adjourned meeting, other than by announcement at the earliest meeting that is adjourned. If a new record date for the adjourned meeting is fixed by the Eldorado Board or a court under certain circumstances, notice of the adjourned meeting must be given to persons who are registered shareholders as of the new record date. Eldorado's by-laws provide that no business shall be transacted at an adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

Eldorado's by-laws provide that the presence of two or more persons present in person or represented by proxy and authorised to cast in the aggregate not less than 25% of the total votes attaching to all shares carrying the right to vote at that meeting will constitute a quorum for that meeting. A quorum need not be present throughout the meeting provided a quorum is present at the opening of the meeting.

Voting requirements

Sino Gold

Unless the Corporations Act or a company's constitution requires a special resolution, resolutions are passed by a simple majority of votes cast on the resolution. Under the Corporations Act, a special resolution may be passed by Sino Gold if not less than 28 days' notice of a general meeting is given, specifying the intention to propose the special resolution and stating the resolution. A special resolution must be passed by at least 75% of the votes cast by shareholders entitled to vote.

The Corporations Act requires certain matters to be resolved by a company by special resolution, including:

- the change of name of the company;
- a selective reduction of capital or selective share buy-back;
- the conversion of the company from one type or form to another; and
- a decision to wind up the company voluntarily.

Under the Corporations Act, a special resolution is also required to modify or repeal the Sino Gold Constitution.

The Sino Gold Constitution does not stipulate any other matters to be resolved by special resolution.

Each Sino Gold share (subject to any specific terms of issue) confers a right to vote at all general meetings. On a show of hands, each Sino Gold shareholder present in person, or by proxy, attorney or body corporate representative, has one vote. If a poll is held, Sino Gold shareholders present in person or by their proxy, attorney or body corporate representative will have one vote for every Sino Gold share held at the record date for the meeting.

11 Comparison of relevant Australian and Canadian laws

The Sino Gold Constitution provides that a poll may be demanded by the chairman of the general meeting, at least five shareholders entitled to vote on the resolution, shareholders holding at least 5% of the votes that may be cast on the resolution on a poll or shareholders holding voting shares on which the aggregate sum paid up is not less than 5% of the total sum paid up on all voting shares. The percentage of votes that shareholders have is to be worked out as at the midnight before the poll is demanded.

A proxy's appointment must be signed and sent to Sino Gold so as to be received at least 48 hours before a meeting.

Eldorado

Unless the CBCA requires a special resolution, resolutions are passed by a simple majority of votes cast on the resolution. A special resolution must be passed by a majority of not less than two-thirds of the votes cast by shareholders entitled to vote.

The CBCA requires certain matters to be approved by special resolution, including, among other matters:

- increase or reduction in stated capital, if the company's stated capital is stated in its articles;
- change in name;
- amendment to the company's articles;
- amalgamation with another arm's length company;
- continuance under the laws of another jurisdiction;
- sale, lease or exchange of all or substantially all property other than in the ordinary course of business; and
- voluntary liquidation and dissolution.

The CBCA provides that, unless a company's articles provide otherwise, each share of a corporation entitles the holder to one vote at a meeting of shareholders. Except in certain circumstances, a vote may be held on a show of hands. On a show of hands, each holder of Eldorado shares present in person or by proxy and entitled to vote has one vote. If a ballot is called, each holder of Eldorado shares present in person or by proxy will have one vote for each Eldorado share held. Eldorado's by-laws provide that a ballot may be demanded by the chair of a meeting or any shareholder or proxyholder entitled to vote at the meeting. The CBCA also provides that holders of shares of a class or a series are entitled to vote separately as a class or series on certain proposals to amend the articles that affect the rights of such holders, whether or not such shares carry the right to vote.

The CBCA allows the Eldorado Board to specify in a notice calling a meeting of shareholders a time, not exceeding 48 hours (excluding Saturdays and holidays) preceding the meeting or an adjournment of the meeting, before which time proxies to be used at the meeting must be deposited with the company or its agent.

Shareholders' rights to bring resolution before a meeting

Sino Gold

Sino Gold shareholders holding at least 5% of the votes that may be cast at a general meeting or at least 100 shareholders who are entitled to vote at the meeting may, by written notice to Sino Gold, propose a resolution for consideration at the next general meeting occurring more than two months after the date of the notice.

Eldorado

The CBCA entitles a registered or beneficial holder of Eldorado shares eligible to be voted at its annual shareholder meeting to submit to Eldorado notice of any matter that the person proposes to raise at the meeting (**proposal**) and discuss at the meeting any matter in respect of which the person would have been entitled to submit a proposal. Generally, to be eligible to submit a proposal, a person must either be the registered or beneficial holder of, or have the support of persons who in the aggregate (whether or not including the person that submits the proposal) have been the registered or beneficial holders of, outstanding Eldorado shares equal to 1% of the total outstanding shares or with a fair market value of at least C\$2,000 for at least six months prior to the date of the proposal. Under these circumstances, Eldorado would then be required to set out the proposal in its management proxy circular (and, if requested by the person submitting the proposal, include or attach a statement in support of the proposal not exceeding 500 words). However, a proposal for the nomination for the election of directors is required to be signed by the holders of at least 5% of the outstanding Eldorado shares entitled to vote at such meeting.

The CBCA provides for exemptions from the requirements to include a proposal in a company's management proxy circular in circumstances including where:

- the proposal is not submitted at least 90 days before the anniversary of the notice of meeting sent to shareholders in connection with the previous annual meeting;

-
- it clearly appears that the primary purpose of the proposal is to enforce a personal claim or redress a personal grievance against the company or its directors, officers or securityholders;
 - it clearly appears that the proposal does not relate in a significant way to the business or affairs of the company;
 - substantially the same proposal failed to receive a certain amount of support at a prior meeting held not more than five years before the receipt of the proposal;
 - not more than two years before the receipt of a proposal, the proponent failed to present a proposal at a prior meeting that had been included in the management proxy circular at the proponent's request; or
 - the rights described in the above paragraph are being abused to secure publicity.

11.3 Directors

Directors' management of the business of the company

Sino Gold

Under the Sino Gold Constitution, the business of Sino Gold is to be managed by or under the direction of the directors. The directors may exercise all the powers of Sino Gold except any powers that the Corporations Act, the ASX Listing Rules or the Constitution requires Sino Gold to exercise in a general meeting.

Eldorado

The CBCA provides that the directors of a corporation shall manage, or supervise the management of, the business and affairs of the corporation. Subject to the articles and the by-laws, the directors may appoint officers of the corporation, specify their duties and delegate to them the power to manage the business and affairs of the corporation, except for certain powers as specified in the CBCA, which the board of directors may not delegate, including filling a vacancy among the directors or in the office of auditor, issuing securities (except as authorised by the directors), adopting, amending or repealing by-laws of the corporation, declaring dividends, and submitting to shareholders any question or matter requiring the approval of shareholders.

Number and election of directors

Sino Gold

Under the Sino Gold Constitution, Sino Gold must have no less than three nor more than 10 directors.

At each annual general meeting, one-third of directors (or the number nearest to but not exceeding one-third) must retire from office but no director may retain office for more than three years without submitting himself for re-election. The director or directors to retire are those who have been longest in office since their election and, as between those who became directors on the same day, as determined by lot unless they otherwise agree. A retiring director is eligible for re-election. Up to one director appointed to the office of managing director may be exempt from retirement by rotation. Casual vacancies between annual general meetings may be filled by the Sino Gold Board, and the Sino Gold Board has the power to appoint additional directors, but so that the total number of directors does not at any time exceed 10.

Eldorado

Eldorado's articles set a minimum of three and a maximum of 20 directors. The CBCA provides that at least 25% of directors must be Canadian residents. Eldorado's by-laws provide that the election of directors shall take place at each annual meeting of shareholders and all the directors then in office shall retire but, if qualified, shall be eligible for re-election. The number of directors to be elected must be the number then in office unless the directors or shareholders determine otherwise. Casual vacancies between annual meetings may be filled by the Eldorado Board, and the Eldorado Board has the power to appoint as additional directors up to one-third of the number of directors elected at the previous annual meeting.

Removal of directors

Sino Gold

Sino Gold shareholders may (without cause) remove a director before their period of office ends by passing a resolution to do so at a general meeting. The resolution must be passed by a majority of the votes cast by shareholders present and voting.

Sino Gold directors cannot themselves remove a director from his or her office or require a director to vacate his or her office.

Eldorado

The CBCA provides that the shareholders of a company may, by ordinary resolution at a special meeting, remove any director or directors from office.

The Eldorado directors cannot themselves remove a director from his or her office or require a director to vacate his or her office.

11 Comparison of relevant Australian and Canadian laws

11.4 Amendments to constituent documents

Sino Gold

Any amendment to the Sino Gold Constitution must be approved by a special resolution passed by Sino Gold shareholders present and voting on the resolution.

Eldorado

Eldorado's constituent documents consist of its restated articles of incorporation and by-laws. Under the CBCA, the articles are the base constituent document of a company and set out details including the company's name, the classes and number of shares the company is authorised to issue (and, where applicable, the rights, privileges, restrictions and conditions attaching to each class or series of shares), any restrictions on transfer of the company's shares, and the minimum and maximum number of directors. Subject to the CBCA, the by-laws regulate the business and affairs of the company and provide for matters including meetings, elections of the board of directors and appointment of officers, filling of vacancies, notices, types and duties of officers, committees and other routine conduct.

In accordance with the CBCA, any amendment to Eldorado's articles must be approved by a special resolution (a resolution passed by a majority of not less than two-thirds of the votes cast by shareholders entitled to vote on the resolution). The CBCA provides that the directors may, by resolution, make, amend or repeal any by-laws, provided that for such by-law (or the amendment or repeal thereof) to remain in effect it must, by ordinary resolution, be confirmed (or confirmed as amended) by Eldorado shareholders at their next annual meeting. A shareholder entitled to vote at an annual meeting of shareholders may also make a proposal to make, amend or repeal a by-law, in accordance with the procedure described above.

11.5 Issue of new shares

Sino Gold

Subject to specified exceptions (for pro rata issues, etc), the ASX Listing Rules apply to restrict Sino Gold from issuing, or agreeing to issue, more ordinary shares than the number calculated as follows in any 12 month period unless Sino Gold has shareholder approval:

15% of the total of:

- (a) the number of fully paid ordinary shares on issue 12 months before the date of the issue or agreement; plus
- (b) the number of fully paid ordinary shares issued in the 12 months under a specified exception; plus
- (c) the number of partly paid ordinary shares that became fully paid in the 12 months; plus

- (d) the number of fully paid ordinary shares issued in the 12 months with shareholder approval; less
- (e) the number of fully paid ordinary shares cancelled in the 12 months,

less the number of ordinary shares issued or agreed to be issued in the 12 months before the date of issue or agreement to issue, but not under a specified exception or with shareholder approval.

Subject to certain exceptions, ASX Listing Rules 10.11 and 10.14 require the approval of Sino Gold shareholders by ordinary resolution in order for Sino Gold to issue shares or options to directors.

Under the Sino Gold Constitution, Sino Gold directors may issue shares on terms determined by the directors at such times as they think fit. This power is, however, subject to the Corporations Act, the ASX Listing Rules, and any special rights previously conferred on the holders of any existing shares or class of shares.

Eldorado

According to Eldorado's articles, Eldorado is authorised to issue an unlimited number of common shares and an unlimited number of convertible non-voting shares. Shares may be issued for such consideration as the directors may determine.

Shares issued by a CBCA regulated company are non-assessable and may only be issued if consideration for such shares is fully paid. Stated capital accounts must be maintained for each class of share. Upon the issuance of a share, a company may not add to the stated capital account in respect of the share an amount greater than the amount of the consideration it received for the share.

As a TSX listed company, issuances of securities by Eldorado requires the approval of TSX. TSX may impose conditions on a transaction or grant exemptions from its own requirements. TSX will consider various factors, including the involvement of insiders in the transaction, whether the transaction materially affects control of the issuer, and whether a court or administrative body has considered the interest of securityholders.

TSX will generally require securityholder approval of any transaction that materially affects control of the issuer or provides consideration to insiders that represents 10% or more of the issuer's market capitalisation (subject to certain conditions). For distributions of listed securities in reliance on a prospectus exemption (known as private placements), TSX may require securityholder approval depending on the price at which the securities are being sold and the number being sold in relation to the number outstanding. If the price is below market and

the number of securities to be issued represents more than 25% of the number outstanding (on a non-diluted basis), securityholder approval will be required, while if the price is at or above market, securityholder approval will generally not be required regardless of the number of securities issued. If the issuance is to be less than or equal to 25% of the number outstanding, securityholder approval will not be required unless the price is below a permitted discount to market (which is 15% where the securities are trading above C\$2.00 each).

Where securities are issued in connection with the acquisition of another issuer, TSX has generally not required securityholder approval where the target is a reporting issuer, provided the transaction does not materially affect control of the listed company or provide consideration to insiders in aggregate of 10% or greater of the market capitalisation of the listed company and has been negotiated at arm's length. However, effective 24 November 2009, an amendment to TSX rules concerning acquisitions will become effective which will require TSX-listed issuers to obtain securityholder approval when the number of securities issued in payment for an acquisition exceeds 25% of the number of issued and outstanding securities of the issuer (on a non-diluted basis), whether the target being acquired is a private company or a reporting issuer.

In private placements to insiders and acquisitions involving issuances of listed securities to insiders, TSX will require securityholder approval depending on the number of securities issued in relation to the number outstanding. Specifically, if insiders will be issued, by way of private placements during any six month period, or if insiders will receive, as consideration in an acquisition, securities representing more than 10% of the number of securities outstanding on a non-diluted basis, securityholder approval will be required and the insiders may not vote their securities.

TSX also requires securityholder approval of securities-based compensation arrangements, including any compensation or mechanism involving the potential issuance of securities from treasury. TSX prescribes specific disclosure requirements for the materials provided to securityholders for the purposes of such approval, including all material information that securityholders may reasonably require to approve the arrangements. Certain substantive requirements are imposed that must be complied with: exercise prices may not be lower than market price the day prior to the date on which stock options are granted; there must be a maximum number or percentage of securities issuable; and most amendments also require securityholder approval.

11.6 Variation of class rights

Sino Gold

Under the Sino Gold Constitution, rights attaching to a class of shares may only be varied or cancelled with the sanction of a special resolution of Sino Gold shareholders and either:

- by special resolution passed at a meeting of the shareholders holding shares in the class; or
- with the written consent of shareholders with at least 75% of the votes in the class.

Eldorado

The CBCA provides that rights attaching to a class of shares may only be varied by an amendment to the articles approved by special resolution.

11.7 Protection of minority shareholders/ oppression remedy

Sino Gold

Under the Corporations Act, any Sino Gold shareholder can bring an action in cases of conduct which is contrary to the interests of shareholders as a whole, or oppressive to, unfairly prejudicial to, or unfairly discriminatory against, any shareholder(s), whether in their capacity as a shareholder or in any other capacity. Former shareholders can also bring an action if it relates to the circumstances in which they ceased to be a shareholder.

A statutory derivative action may also be instituted by a Sino Gold shareholder, former shareholder or person entitled to be registered as a shareholder. In all cases, leave of the court is required. Such leave will be granted if the court is satisfied that:

- it is probable that Sino Gold will not itself bring the proceedings or properly take responsibility for them or for the steps in them;
- the applicant is acting in good faith;
- it is in the best interests of Sino Gold that the applicant be granted leave;
- if the applicant is applying for leave to bring proceedings, there is a serious question to be tried; and
- either at least 14 days before making the application, the applicant gave written notice to Sino Gold of the intention to apply for leave and the reasons for applying, or it is otherwise appropriate to grant leave.

11 Comparison of relevant Australian and Canadian laws

Eldorado

Canadian securities laws provide certain procedural protections for securityholders, including minority approval rights, valuation requirements and enhanced disclosure requirements, for certain non arm's length transactions such as issuer bids, insider bids, related party transactions and business combinations (see also section 11.13).

The CBCA provides that an Eldorado shareholder may apply to a court having jurisdiction in Vancouver, British Columbia (being the location of Eldorado's registered office) for an order directing an investigation to be made of Eldorado and any of its affiliated corporations. For the court to make such an order of investigation, among other requirements, it must appear to the court that the business of Eldorado or any of its affiliates has been carried on with intent to defraud a person or that powers of the directors were exercised in a manner that was oppressive or unfairly prejudicial to the interests of a shareholder. No person may publish anything relating to an ex parte application for investigation except with the authorisation of the court or the written consent of the corporation being investigated.

In addition, a 'complainant' (as that term is defined under the CBCA, which includes shareholders, former shareholders, directors and officers, former directors and officers, the Director appointed under the CBCA to carry out duties and exercise powers under the CBCA, and any other persons who, in the discretion of the court, are proper persons to bring an action) who complains that:

- any act or omission of Eldorado or any of its affiliates effects a result;
- the business or affairs of Eldorado or any of its affiliates are being conducted or have been conducted in a manner; or
- the power of the directors of Eldorado or its affiliates are being exercised or were exercised in a manner,

that is oppressive or unfairly prejudicial to or that unfairly disregards the interests of any securityholder, creditor, director or officer, may apply to the court for an order to rectify the matters complained of. This remedy is known as the 'oppression remedy'. The powers of the court under the CBCA in making an order are broad: it may make any order it thinks fit, from a simple order amending a corporation's by-laws to an order liquidating and dissolving the corporation.

Representative shareholder actions or derivative actions are also available under the CBCA to shareholders and other 'complainants' (as defined under the CBCA and discussed above). The CBCA, to a large extent, has supplemented the common law and equity rules on the availability of actions. In addition to allowing complainants to bring actions in the name and on behalf

of Eldorado or any of its subsidiaries, the statutory provisions of the CBCA also allow complainants to intervene in existing proceedings, either for prosecuting or defending it, or to bring about its discontinuation on behalf of the company. Whether seeking to bring an action or to intervene, certain substantive and procedural requirements must first be met, including the requirement that the court be satisfied that the complainant is acting in good faith and that it appears to be in the interests of the company or its subsidiary.

To bring a derivative action, it is first necessary to obtain the leave of the court. The granting of leave is not automatic, but requires the court to exercise judicial discretion. The court may grant leave if:

- the complainant has given notice to the directors of Eldorado or its subsidiary of the complainant's intention to apply to the court not less than 14 days before bringing the application, or as otherwise ordered by the court, if the directors of Eldorado or its subsidiary do not bring, diligently prosecute or defend or discontinue the action;
- the complainant is acting in good faith; and
- it appears to the court that it is in the interests of Eldorado or its subsidiary for the legal proceeding to be brought, prosecuted, defended or discontinued.

The court has broad powers to direct the conduct of any such legal proceeding.

In addition to the above, a shareholder may be able to bring a claim against Eldorado based on the general laws of contract, tort or other laws applicable in Canada.

The CBCA provides that shareholders entitled to vote on certain matters may exercise dissent rights and demand payment for the fair value of their shares, provided that they comply strictly with the requirements in the CBCA. Dissent rights exist when there is a vote upon matters such as:

- any amalgamation with another corporation, other than with specified affiliated corporations;
- an amendment to the corporation's articles to add, change or remove any restriction on the business that the corporation may carry out;
- an amendment to the corporation's articles adding, changing or removing any provisions which restrict the issue, transfer or ownership of shares;
- a continuance under the laws of another jurisdiction;
- a sale, lease or exchange of all or substantially all the property of the corporation other than in the ordinary course of business; or
- a 'going-private' transaction or a 'squeeze-out' transaction.

However, a shareholder is not entitled to dissent if an amendment to the articles is effected by a court order approving a reorganisation or by a court order made in connection with an action for an oppression remedy.

11.8 Source and payment of dividends

Sino Gold

Sino Gold directors may pay dividends only out of Sino Gold's distributable profits and not out of share capital. Before declaring a dividend, the directors must be satisfied that the proposed dividend can be paid without causing Sino Gold to be unable to pay its debts as they fall due. Under the Sino Gold Constitution, the directors may determine that a dividend is payable and fix the amount, the time for payment and the method of payment. Dividends must be declared and paid according to the amounts paid or credited as paid on the shares in respect of which the dividend applies.

Eldorado

The CBCA provides that a company may pay a dividend by issuing fully paid shares or (subject to the following sentence) in money or property. A company may not declare or pay a dividend if there are reasonable grounds for believing that the company is, or would after the payment be, unable to pay its liabilities as they become due, or if the realisable value of the company's assets would thereby be less than the aggregate of its liabilities and its stated capital of all classes. Dividends may be subject to withholding taxes. For further information in relation to this, please refer to section 10.

11.9 Remuneration of directors and officers

Sino Gold

Under the ASX Listing Rules, the maximum amount to be paid to directors for their services as directors (other than the salary of an executive director) is not to exceed the amount approved by shareholders in general meeting. The latest approval was at Sino Gold's 2008 annual general meeting, at which Sino Gold shareholders approved aggregate remuneration for directors of A\$850,000 per year.

Legislation gives shareholders of listed companies (such as Sino Gold shareholders) the right to participate in a non-binding vote, to be held at the annual general meeting, on the adoption of the remuneration report of the company. The remuneration report is included in the directors' report and is required to contain a discussion of the Board's policy in relation to remuneration of key management personnel of the company.

Eldorado

Under the CBCA and subject to the articles, the by-laws or any unanimous shareholder agreement (Eldorado has none), the directors of a corporation may fix the remuneration of the directors, officers and employees of the corporation. Under the CBCA and applicable Canadian securities laws, a report on compensation is required to be included in the management proxy circular in connection with the annual meeting each year.

11.10 Retirement benefits

Sino Gold

Currently, the Corporations Act allows a company to pay benefits to directors and officers on their retirement or termination of up to seven times the director's or officer's total annual remuneration. Benefits above that limit can only be paid on shareholder approval.

In June 2009, the Australian Federal Government introduced the *Corporations Amendment (Improving Accountability on Termination Payments) Bill 2009*. If passed, the Bill will significantly reduce retirement or termination benefits that can be paid to company directors, senior executives and key management personnel without shareholder approval. The threshold above which shareholder approval is required will be reduced to the equivalent of one year's base salary. The Bill provides a mechanism for calculating that threshold, including by averaging salary over the past three years.

The proposed changes will affect only benefits under contracts of employment that are executed on or after the commencement date of the Bill, or where a contract is varied or extended on or after that date.

Eldorado

Eldorado is not subject to any restrictions on the quantum of retirement benefits that it may pay to its directors and officers.

11.11 Fiduciary duties of directors and officers

Sino Gold

Under Australian common law, the directors and officers of Sino Gold are subject to duties to:

- act in good faith in the interests of Sino Gold;
- act for a proper purpose;
- not fetter their discretion (in the case of directors only);
- exercise care, skill and diligence;
- avoid conflicts of interest;
- not use their position to their advantage or the advantage of somebody else; and
- not misappropriate company property.

11 Comparison of relevant Australian and Canadian laws

Eldorado

In accordance with the CBCA, applicable Canadian securities laws and Canadian common law, every director and officer of Eldorado, in exercising their powers and discharging their duties, must:

- act honestly and in good faith with a view to the best interests of Eldorado (commonly referred to as the 'duty of loyalty');
- act for a proper purpose;
- not fetter their discretion;
- exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances (commonly referred to as the 'duty of care');
- avoid conflicts of interest;
- not use their position to their advantage; and
- not misappropriate company property.

11.12 Release from liability and indemnification of directors and officers

Sino Gold

Sino Gold cannot:

- exempt an officer from liability to it incurred in his capacity as an officer;
- indemnify an officer against a liability owed to it or a related body corporate; or
- indemnify an officer against the cost of legal proceedings, including where such proceedings result in them being found to have a liability to it or a related body corporate.

However, Sino Gold may indemnify an officer against a liability owed to someone other than Sino Gold or a related body corporate (and also the cost of any related legal proceedings), provided the liability does not arise out of conduct involving a lack of good faith or the liability is not a penalty or compensation order made under the Corporations Act. For the purposes of these provisions, an 'officer' includes a director, secretary or senior manager of Sino Gold.

The Sino Gold Constitution contains provisions indemnifying Sino Gold's past and existing directors, secretaries, executive officers and members of local boards or agencies, to the maximum extent permitted by law, against any liability incurred by that person in his or her capacity as an officer of Sino Gold or of a related body corporate of Sino Gold.

Eldorado

Eldorado's by-laws provide that, subject to any applicable statutory provisions, no director or officer and no individual who acts at Eldorado's request as a director or officer, or in a similar capacity, of another entity, shall be liable for:

- the acts, receipts, neglects or defaults of any other person;
- joining in any receipt or other act for conformity;
- any loss, damage or expense incurred to Eldorado or other entity arising from the insufficiency or deficiency of title to any property acquired by, for or on behalf of Eldorado or other entity;
- the insufficiency or deficiency of any security in or upon which any monies of Eldorado or other entity are invested;
- any loss, damage or expense arising from the bankruptcy, insolvency, act or omission of any other person with whom any monies, securities or other property of Eldorado or other entity are lodged or deposited;
- any loss, damage or expense occasioned by an error of judgment or oversight; or
- any other loss, damage or expense related to the performance or non-performance of the duties of that individual's office.

Eldorado's by-laws provide that, subject to limitations contained in the CBCA, but without limiting the right of Eldorado to indemnify any individual under the CBCA or otherwise to the full extent permitted by law, Eldorado shall indemnify each director and officer or former director or officer and each individual who acts or has acted at Eldorado's request as a director or officer, or in a similar capacity, of another entity (and each such individual's respective heirs and personal representatives), against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred in respect of any civil, criminal, administrative, investigative or other proceeding in which the individual is involved because of that association with Eldorado or other entity.

Eldorado may not indemnify any of the individuals described above unless the individual:

- acted honestly and in good faith with a view to the best interests of Eldorado or, as the case may be, to the best interests of the other entity for which the individual acted as a director or officer or in a similar capacity at Eldorado's request; and

- in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, the individual had reasonable ground for believing that the individual's conduct was lawful.

In addition, any such indemnity in respect of an action by or on behalf of Eldorado or the entity in respect of which an individual has acted as a director or officer or in a similar capacity at the request of Eldorado to procure judgment in its favour shall be subject to the approval of a competent court.

Furthermore, under the CBCA, a director or officer or former director or officer and each individual that acts or has acted at Eldorado's request in a similar capacity for another entity that meets the two conditions above and are not judged by a court or other competent authority to have committed any fault or to have omitted to do anything that the individual ought to have done, are entitled to an indemnity from Eldorado in respect of all costs, charges and expenses reasonably incurred by the individual in connection with the defence of any civil, criminal, administrative, investigative or other proceeding to which the individual is subject because of the individual's association with Eldorado or the other entity as described above.

The CBCA and Eldorado's by-laws also authorise a company to purchase and maintain liability insurance for the benefit of the individuals described in the second paragraph above against any liability incurred by the individual in their capacity as director or officer of the company or in their capacity as director or officer or similar capacity of another entity if they acted in that capacity at the company's request.

11.13 Transactions involving directors, officers or other related parties

Sino Gold

The Corporations Act prohibits a public company such as Sino Gold from giving a related party a financial benefit unless it:

- obtains the approval of shareholders and gives the benefit within 15 months after approval; or
- the financial benefit is exempt.

A related party is defined to include any entity which controls the public company, directors of the public company, directors of any entity which controls the public company and, in each case, spouses and certain relatives of such persons. Exempt financial benefits include indemnities, insurance premiums and payments for legal costs which are not otherwise prohibited by the Corporations Act and benefits given on arm's length terms.

ASX Listing Rules prohibit a listed company such as Sino Gold from acquiring a substantial asset (an asset the value or consideration for which is 5% or more of the entity's equity interests) from, or disposing of a substantial asset to, certain related parties of the company, unless it obtains the approval of shareholders. The related parties include a director, a person who has or has had in the prior six month period an interest in 10% or more of the shares in the company and, in each case, any of their associates. The provisions apply even where the transaction may be on arm's-length terms.

ASX Listing Rules also prohibit a listed company such as Sino Gold from issuing or agreeing to issue shares to a director unless it obtains the approval of shareholders or the share issue is exempt. Exempt share issues include issues made pro rata to all shareholders, under an underwriting agreement, under a dividend or distribution plan or under an approved employee incentive plan.

Eldorado

Eldorado is subject to Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions (MI 61-101)*, which imposes valuation, minority approval and disclosure requirements on entities involved in certain related party transactions. A related party transaction includes a transaction between an issuer and a person that is a related party to the issuer at the time that the transaction is agreed to, whether or not there are also other parties to the transaction, as a consequence of which, either through the transaction itself or together with a connected transaction, the issuer directly or indirectly, among other things:

- purchases or acquires an asset from a related party for valuable consideration;
- sells or transfers an asset to a related party;
- leases property to or from a related party;
- acquires a related party or combines with a related party through an amalgamation, arrangement or otherwise;
- issues a security to, or subscribes for, a security of a related party;
- becomes subject to a liability of a related party or provides or materially amends the terms of a guarantee or collateral security for a debt or liability of a related party; or
- borrows money from, lends money to, releases, cancels, forgives or materially amends the terms of an outstanding debt or liability owed by a related party.

11 Comparison of relevant Australian and Canadian laws

Unless a specific exemption is available, MI 61-101 requires a formal valuation of assets or securities involved in a related party transaction. The valuation must be prepared by an appropriately qualified independent valuator and no more than 120 days before the earlier of the date that a disclosure document for the transaction is first sent to securityholders (if applicable) and the date that a disclosure document is filed with the relevant securities regulatory authorities. The valuation must contain certain required content and provide sufficient disclosure to allow the securityholders to understand the principal judgments and underlying reasoning of the valuator so as to form a reasoned judgment of the valuation.

Minority approval of a related party transaction is required under MI 61-101, unless a specific exemption is available. Minority approval for these purposes consists of the approval of the proposed transaction by a majority of the votes cast by holders of each class of affected securities at a meeting of security holders of that class called to consider the transaction, excluding the votes attached to the securities of the issuer held or controlled, directly or indirectly, by the issuer, any interested party, their respective directors or senior officers, and any related parties or joint actors of such persons. If minority approval is required, it must be obtained from the holders of every class of affected securities of the issuer, in each case voting separately as a class. There are additional specific rules in MI 61 101 regarding obtaining minority approval, including the determination of the excluded votes and the disclosure required to be sent to securityholders.

MI 61-101 also requires an issuer to include certain detailed disclosure regarding related party transactions in a material change report that is required to be filed under the applicable securities laws of Ontario and Quebec and in an information circular that is being sent to securityholders to obtain minority approval in respect of a related party transaction.

11.14 Directors' declarations of interest

Sino Gold

The Corporations Act generally requires a Sino Gold director who has a material personal interest in a matter that relates to the affairs of Sino Gold to give the other directors notice of that interest. That director must not be present at a meeting where the matter is being considered or vote on the matter unless the other directors or ASIC approve, or the matter is not one which requires disclosure under the Corporations Act. Under the Corporations Act, failure of a director to disclose a material personal interest, or voting despite a material personal interest, does not affect the validity of any act in which the director has an interest.

Sino Gold directors, when entering into transactions with Sino Gold, are subject to the common law and statutory duties to avoid conflicts of interest.

Eldorado

The CBCA require directors and officers to disclose to Eldorado the nature and extent of any interest that they may have in a material contract or transaction, whether made or proposed, with Eldorado, if they:

- are a party to the contract or transaction;
- are directors or officers of, or acting in a similar capacity for, a party to the contract or transaction; or
- have a material interest in a party to the contract or transaction.

Except as provided in the CBCA, no director having such an interest may vote on any resolution to approve such contract or transaction unless the contract or transaction:

- relates primarily to his or her remuneration as a director, officer, employee or agent of the corporation or an affiliate;
- is for indemnity or insurance; or
- is with an affiliate.

A contract or transaction for which the above disclosure is required is not invalid, and the director or officer is not accountable to the corporation or its shareholders for any profit realised from the contract or transaction, because of the director's or officer's interest in the contract or transaction or because the director was present or was counted to determine whether a quorum existed at the meeting of directors or committee of directors that considered the contract or transaction, if:

- disclosure of the interest was made in accordance with the CBCA;
- the directors approved the contract or transaction; and
- the contract or transaction was reasonable and fair to the corporation when it was approved.

Even if the above conditions are not met, a contract or transaction is not invalid and a director or officer is not accountable to the company or its shareholders for any profit realised from a contract or transaction that required disclosure if the director or officer was acting honestly and in good faith and the contract or transaction is approved or confirmed by special resolution of the shareholders after sufficient disclosure of the interest was made to shareholders to indicate its nature and the contract or transaction was reasonable and fair to the company when approved or confirmed.

11.15 Takeovers

Takeover requirements

Sino Gold

Australian law places restrictions on a person acquiring interests in the voting shares of a public company such as Sino Gold where, as a result of the acquisition, that person's or someone else's voting power in the company increases from 20% or below to more than 20%, or from a starting point that is above 20% and below 90%. Generally, such acquisitions cannot be made unless the person does not acquire more than 3% of the voting shares in the company in the six month period before the acquisition, the acquisition is made with shareholder approval or the acquisition is made under a takeover bid made in accordance with Australian law. Takeover bids must treat all shareholders alike and must not involve any collateral benefits. Various restrictions about conditional offers exist and there are also substantial restrictions concerning the withdrawal and suspension of offers.

Eldorado

In Canada, takeover bids are regulated primarily by provincial and territorial securities legislation and related rules and, to a limited extent, the corporate statutes under which the target company is incorporated. Unless an exemption from the formal takeover bid requirements under securities legislation is available or can be obtained, persons or companies making an offer to acquire shares in a jurisdiction where the subject shares, together with the offeror's securities (including any securities held by joint offerors), constitute in aggregate 20% or more of the outstanding shares of the company at the time of the offer are required to extend the offer to all securityholders in the jurisdiction. These provisions require, among other things, the production, filing and mailing of a takeover bid circular to shareholders of the target company. These provisions are applicable for securityholders whose address in the books of the corporation is in Canada.

Takeover bids must treat all securityholders alike and must not involve any collateral agreements, with certain exceptions for employment compensation arrangements. Takeover bids must remain open for a minimum of 35 days from the date of the mailing of the circular, after which time all securities deposited under the offer may be taken up.

For the protection of target securityholders, the takeover bid rules contain various additional requirements, such as restrictions applicable to conditional offers and the withdrawal, amendment or suspension of offers. Securities regulators also retain a general 'public interest jurisdiction' to regulate takeovers and may intervene to halt or prevent activity that is abusive. Issuer bids are regulated similarly to takeover bids.

There are extensive disclosure requirements associated with takeover bids, beginning with 'early warning' disclosure required when an acquirer crosses the 10% ownership threshold. Generally, further disclosure is required for additional purchases of 2% or more of the outstanding security for which such early warning disclosure is required. Purchases outside the bid before, during and after the bid are also restricted. Following a bid, second step transactions where the acquirer brings its percentage ownership to 100% are governed by the CBCA. No shareholder approval of the acquisition would be required if the acquirer obtained 90% of the outstanding securities owned by minority securityholders during the bid. Otherwise, a meeting must be called and associated regulations complied with for an acquisition, including obtaining a two-thirds majority approval. The acquirer is generally permitted to vote the shares acquired pursuant to the bid at such meeting. Appraisal (or dissent) rights are available for objecting shareholders who fulfil certain procedural requirements.

Canadian securities laws allow certain exemptions to the formal bid requirements, on specified conditions. For example, private agreements to purchase securities from up to five persons are permitted if the purchase price does not exceed 115% of the market price. Under the normal course purchase exception, the offeror (together with any joint offerors) may acquire up to 5% of a class of securities within a 12-month period if there is a published market for the relevant class and the consideration paid does not exceed the market price at the date of acquisition.

Takeover defence mechanisms

Sino Gold

Under Australian takeovers legislation and policy, boards of target companies are limited in the defensive mechanisms that they can put in place to discourage or defeat a takeover bid. For example, it is likely that the adoption of a shareholders' rights plan (or so-called 'poison pill') would give rise to a declaration of unacceptable circumstances by the Australian Takeovers Panel if it had that effect.

Eldorado

The Canadian securities regulatory authorities (CSA) have recognised that takeover bids play an important role in the economy by acting as a discipline on corporate management and as a means of reallocating economic resources to their best uses. In considering the merits of a takeover bid, there is a possibility that the interests of management of the target company will differ from those of its shareholders. The CSA considers the primary objective of the takeover bid provisions of Canadian securities legislation to be the protection of the bona fide interests of the shareholders of the target company. Because certain defensive measures taken

11 Comparison of relevant Australian and Canadian laws

by management of a target company may have the effect of denying shareholders the ability to make a fully formed decision and frustrating an open takeover bid process, the CSA will therefore examine target company defensive tactics in specific cases to determine whether they are abusive of shareholder rights.

Without limiting the foregoing, defensive tactics that may come under scrutiny if undertaken during the course of a bid, or immediately before a bid (if the board of directors has reason to believe that a bid might be imminent) include:

- the issuance of or granting of an option on securities representing a significant percentage of the outstanding securities of the target company, including the introduction of a shareholders' rights plan;
- the sale, acquisition, optioning, or agreement to sell or acquire assets of a material amount; and
- the entering into a contract or taking corporate action other than in the normal course of business.

Shareholder approval of corporate action may be a factor in the decision as to whether the tactics are appropriate.

Notwithstanding the above, defensive tactics may be taken by a board of directors of a target company in a genuine attempt to obtain a better bid; however, tactics that are likely to deny or limit severely the ability of the shareholders to respond to a takeover bid or a competing bid may result in action by the CSA.

11.16 Right to inspect register of shareholders Sino Gold

The register of shareholders of an Australian company is usually kept at the registered office or principal place of business in Australia and must be available for inspection to shareholders free of charge at all times when the registered office is open to the public. If a person asks Sino Gold for a copy of the register (or any part of the register) and pays the requested fee (up to a prescribed amount), Sino Gold must give that person the copy within seven days of the date on which Sino Gold receives such payment. Under the Sino Gold Constitution, the directors, or the company by a resolution passed at a general meeting, may authorise a shareholder to inspect the books of Sino Gold. A Sino Gold shareholder, other than a Sino Gold director, does not have the right to inspect any document of Sino Gold, other than the minute books for the meetings of its shareholders and for resolutions of shareholders passed without meetings, except as provided by law or authorised by the directors or by Sino Gold in general meeting.

Under the Corporations Act, a shareholder must obtain a court order to obtain access to the corporate books. The applicant must be acting in good faith and be making the inspection for a proper purpose.

Eldorado

Under the CBCA, a shareholder or creditor of Eldorado, their personal representatives and the Director appointed under the CBCA may examine the corporate records (including the securities register, articles and by-laws, minutes of meetings and resolutions of shareholders) at Eldorado's registered office or such other place where such records are kept during Eldorado's usual business hours free of charge. As Eldorado is a 'distributing corporation' (as defined in the CBCA), any other person may do so for a reasonable fee. However, any of the above persons wishing to examine the securities register must first make a request to Eldorado, accompanied by an affidavit stating that the list will not be used except for certain purposes permitted under the CBCA.

11.17 Winding-up

Sino Gold

Under Australian law, an insolvent company may be wound up by a liquidator appointed by either creditors or the court. Directors cannot use their powers after a liquidator has been appointed. If there are funds left over after payment of the costs of the liquidation, and payments to other priority creditors, including employees, the liquidator will pay these to unsecured creditors as a dividend. The shareholders rank behind the creditors and are, therefore, unlikely to receive any dividend in an insolvent liquidation.

Under Australian law, shareholders of a solvent company may decide to wind up the company if the directors are able to form the view that the company will be able to pay its debts in full within 12 months after the commencement of the winding-up. A meeting at which a decision is made to wind up a solvent company requires at least 75% of votes cast by the shareholders present and voting.

The Sino Gold Constitution provides that on winding-up, the liquidator may, with sanction of a special resolution, divide among Sino Gold shareholders in kind the whole or any part of Sino Gold's property and may for that purpose set the value as the liquidator considers fair upon any property to be so divided and may determine how the division is to be carried out as between the shareholders or different classes of shareholders.

Eldorado

A corporation will cease to exist if it is voluntarily dissolved, if it is wound up or if its certificate of incorporation is cancelled by the relevant official under the CBCA. The principal distinction between dissolution and winding-up is the identity of the person or persons who carry out the steps required to terminate a corporation's existence. A dissolution is handled by the existing managers of the corporation, whereas winding-up is generally managed by another person appointed solely for that purpose.

Liquidation and dissolution may be proposed by a director or a shareholder entitled to vote at an annual meeting (i.e. voluntary liquidation) or by the court on the application of a shareholder, creditor or other person authorised under the legislation (i.e. involuntary or compulsory liquidation). A liquidation may begin as a voluntary, shareholder driven proceeding, but then be continued under court supervision upon the application of any interested person. The Director under the CBCA may also dissolve a corporation under certain circumstances. In all cases, the corporation must be neither insolvent nor bankrupt to have its existence terminated under the CBCA. Liquidation of the corporation may also take place completely outside the framework of the CBCA. A corporation may also be liquidated under the provisions of the *Bankruptcy and Insolvency Act (Canada)*, either by way of assignment into bankruptcy (voluntary) or on petition by a creditor (involuntary) or under the *Companies' Creditors Arrangement Act (Canada)*. Finally, a corporation may be liquidated informally under contractual arrangement, usually by way of the private appointment of a receiver and manager.

Voluntary liquidation under the CBCA may be initiated or proposed by the directors or shareholders, but must be sanctioned by a special resolution of the shareholders. The corporation must settle its debts, obligations or liabilities prior to dissolution.

Dissolution by the court under the CBCA may be commenced by application of a shareholder if the court is satisfied that there has been conduct that is oppressive or unfairly prejudicial to the interests of shareholders, creditors, directors or officers or that it is just and equitable that the corporation should be liquidated and dissolved. A liquidator may be appointed by the court.

Additional information

12

12.1 Sino Gold directors

Sino Gold directors at the date of this booklet are:

- James Askew, *Chairman*
- Jacob Klein, *President and CEO*
- Hanjing Xu, *Executive Director*
- Peter Cassidy
- Brian Davidson
- Peter Housden
- Liangang Li

Sino Gold marketable securities

At the date of this booklet, the following Sino Gold directors had relevant interests in the marketable securities of Sino Gold.

Director	Sino Gold shares	Sino Gold in the money options	Sino Gold out of the money options
James Askew	140,000	35,000	–
Jacob Klein	3,209,800	1,737,500	500,000
Hanjing Xu	976,666	1,076,250	350,000
Peter Cassidy	125,675	20,000	–
Brian Davidson	266,725	20,000	–
Peter Housden	11,333	140,000	–
Liangang Li	–	–	–

The following Sino Gold directors have indicated that they may sell Sino Gold shares prior to the Scheme Meetings subject to trading conditions, the opening of a trading window (see section 12.3) and being otherwise free to trade:

- James Askew, up to 165,000 shares (after exercising 25,000 options);
- Jacob Klein, up to 1,000,000 shares;
- Hanjing Xu, up to 500,000 shares;
- Peter Cassidy, up to 70,000 shares;
- Brian Davidson, up to 100,000 shares; and
- Peter Housden, up to 11,333 shares.

Eldorado marketable securities

At the date of this booklet, no Sino Gold directors had relevant interests in the marketable securities of Eldorado.

12.2 Benefits and agreements

Appointment of Sino Gold directors as Eldorado directors

Eldorado agreed to invite two existing Sino Gold directors to become Eldorado directors. Eldorado has invited James Askew and Peter Cassidy to become Eldorado non-executive directors in fulfilment of this obligation. It is anticipated that a Sino Gold director who is appointed as an Eldorado non-executive director would be entitled to receive a retainer, meeting attendance fees, stock options, travel allowances and reimbursement of incidental expenses from Eldorado in connection with the performance of their duties for Eldorado. At the date of this booklet, no specific arrangements had been agreed between Eldorado and any Sino Gold director.

Consultancy arrangements

It is anticipated that Jacob Klein, the existing President and CEO of Sino Gold, will provide consultancy services to Eldorado after implementation of the Schemes for a period of six months. It is also anticipated that Hanjing Xu, Executive Director of Sino Gold, will join Eldorado as an employee.

Benefits in connection with retirement from office

The implementation of the Share Scheme will constitute a 'Change of Control' under the executive services agreements between Sino Gold and Jacob Klein and between Sino Gold and Hanjing Xu. Within one month of a Change of Control, either executive may terminate his executive services agreement, in which case he will become entitled to be paid the balance of all benefits and entitlements under his agreement as if all performance targets had been achieved. This will include:

- (a) total fixed remuneration (TFR) to be paid through to 31 December 2010 (A\$875,000 per annum for Mr Klein and A\$535,000 per annum for Mr Xu);
- (b) short-term incentive equal to 50% of TFR;
- (c) long-term incentive equal to 100% of TFR; and
- (d) retention incentive (A\$2 million for Mr Klein and A\$1 million for Mr Xu).

12 Additional information

Other agreements or arrangements connected with or conditional on the Schemes

Sino Gold holds a directors' and officers' insurance policy on behalf of Sino Gold directors and officers. Sino Gold proposes to extend its current policy, or obtain a new directors' and officers' insurance policy, to provide coverage for all current Sino Gold directors for seven years from the Implementation Date.

Eldorado agreed in the Scheme Implementation Deed to indemnify Sino Gold, its subsidiaries and their respective directors, officers and employees against any claim, action, damage, loss, liability, cost, expense or payment of whatever nature and however arising which any of them suffers, incurs or is liable for arising out of any breach of any of the Eldorado Representations and Warranties (as defined in the Scheme Implementation Deed). Eldorado also released its respective rights, and agreed that it would not claim, against Sino Gold, its subsidiaries and their respective directors, officers and employees in connection with any breach of any representations, covenants and warranties of Sino Gold in the Scheme Implementation Deed or any disclosures containing any statement which is false or misleading, except where they have not acted in good faith or have engaged in wilful misconduct.

Except as described in this section, there are no agreements or arrangements made between any Sino Gold director and any other person in connection with or conditional upon the outcome of the Schemes other than in their capacity as a Sino Gold securityholder.

Interests of Sino Gold directors in Eldorado contracts

Except as described in this section, no Sino Gold director has any interest in any contract entered into by Eldorado.

12.3 Sino Gold trading policy

Sino Gold has a policy relating to the trading of Sino Gold securities by directors, senior executives, employees and contractors. Under that policy, these individuals are prohibited from trading in Sino Gold securities, except while not in possession of 'inside information' and then only during designated periods. Sino Gold proposes to permit individuals who are not in the possession of inside information to trade in Sino Gold securities for up to three weeks from the date of this booklet. If you are a director, senior executive, employee and contractor of Sino Gold:

- you should not trade any Sino Gold securities until you are notified by email that trading is permitted and should note that you may be asked to cease trading at any time during a designated trading period; and

- you should note that you remain subject to insider trading prohibitions under the Corporations Act with the result that you must not trade Sino Gold securities at any time you are in possession of inside information, subject to any exceptions under the Corporations Act.

12.4 Right to inspect and obtain copies of the Sino Gold Share Register and the Sino Gold Option Register

A Sino Gold securityholder has the right to inspect the Sino Gold Share Register and the Sino Gold Option Register, which contain the name and address of each Sino Gold securityholder and certain other prescribed details relating to Sino Gold securities, without charge. A Sino Gold securityholder also has the right to request a copy upon payment of a fee (if any) up to a prescribed amount.

12.5 Regulatory relief Sino Gold

Paragraphs 8201(a), (b), (c), (d) and (e) and 8203(a) and (b) of Part 2 of Schedule 8 of the Corporations Regulations set out various content requirements in connection with the Option Scheme, including the names of all Sino Gold optionholders. ASIC has waived these requirements.

Paragraph 8302(h) of Part 3 of Schedule 8 of the Corporations Regulations requires an explanatory statement to set out whether, within the knowledge of Sino Gold directors, the financial position of Sino Gold has materially changed since the date of the last balance sheet laid before Sino Gold in general meeting or sent to Sino Gold shareholders in accordance with section 314 or 317 of the Corporations Act, being 31 December 2008. ASIC has allowed Sino Gold to depart from complying with this requirement so that the explanatory statements constituted by this booklet only need set out whether, within the knowledge of Sino Gold directors, the financial position of Sino Gold has materially changed since 30 June 2009, being the date of its reviewed half year financial statements for the six months ended 30 June 2009.

ASX Listing Rule 6.23.2 requires that a change which has the effect of cancelling an option for consideration can only be made if shareholders approve the change. ASX has granted Sino Gold a waiver from ASX Listing Rule 6.23.2 to allow for the cancellation of the Sino Gold options under the Option Scheme without the need to obtain specific shareholder approval. The waiver is conditional on the Schemes being approved by their respective Sino Gold securityholders and by the Court.

ASX Listing Rule 6.23.3 requires that a change to the terms of an option cannot be made if it has the effect of increasing the period of exercise. ASX has granted Sino Gold a waiver from ASX Listing Rule 6.23.3 to allow the Sino Gold Board to determine that Sino Gold options issued under the Sino Gold Executive and Employee Option Plan, which have not yet vested, will vest on, and be exercisable from, the Effective Date of the Schemes. The waiver is conditional on the Schemes being approved by Sino Gold securityholders and by the Court.

Rule 6.16 of the HKSE Listing Rule requires an issuer, whose primary listing is on another stock exchange and which has a secondary listing on HKSE, to (among other things) give its shareholders at least three months' prior notice of a proposed voluntarily withdrawal of its listing on HKSE. Sino Gold gave notice under rule 6.16 on 6 October 2009 and has applied to HKSE for a partial waiver from HKSE Listing Rule 6.16 to allow it to withdraw its listing on HKSE at 4.00pm (Hong Kong time) on the Implementation Date rather than wait until the three-month notice period expires on 6 January 2010.

Eldorado

ASIC has granted a modification or variation of subsection 707(3) of the Corporations Act to make it clear that Scheme Shareholders and Scheme Optionholders will be able to on-sell their Eldorado CDIs or Eldorado shares within 12 months of their issue, without requiring disclosure under Chapter 6D of the Corporations Act.

ASX has granted the following in-principle waivers, confirmations and approvals:

- (a) waiver of ASX Listing Rule 1.1 Condition 2, to the extent necessary to permit Eldorado's constitution not to comply with the listing rules to the extent that it provides for the issue of non-voting shares on the condition that Eldorado does not issue any non-voting shares on terms that are inconsistent with the listing rules without ASX approval while the company remains an ASX listed entity;
- (b) waiver of ASX Listing Rule 1.1 Condition 3, so that it can issue an information memorandum (**Information Memorandum**) which complies (subject to any waivers, confirmations and approvals) with the information requirements of Appendix 1A and which incorporates by reference this scheme booklet, rather than a prospectus;
- (c) in respect of the information requirements of Appendix 1A:
 - (i) confirmation that paragraphs 53–61, which require certain disclosures by mining entities, will be satisfied by making reference to the Information Memorandum outlining Sino Gold's assets and Eldorado's assets;
 - (ii) confirmation that paragraph 107, which requires the details of all securities issued by Eldorado (in all classes) in the last five years, will be satisfied by cross-referencing the relevant sections of the Information Memorandum setting out its current capital structure;
 - (iii) confirmation that the Information Memorandum does not need to include a statement (which is required by paragraph 108) that all information required by section 710 of the Corporations Act has been included;
 - (iv) confirmation that it will be taken to comply with the requirements of paragraph 109 concerning signing of the Information Memorandum if it is signed by a director, secretary or local agent, on condition that every director and proposed director of Eldorado has consented to the Information Memorandum being signed on their behalf;
 - (v) waiver of paragraph 115 regarding inclusion of consent for statements made by an expert in the Information Memorandum, on condition that the Information Memorandum contains a clear statement indicating the report is with reference to this booklet only;
 - (vi) waiver of paragraph 116 regarding inclusion of a statement that it has not raised and will not raise capital in the three months either side of the date of this booklet on condition that:
 - the Information Memorandum contains a statement that Eldorado has not raised any capital in Australia for the three months before, and will not raise capital in Australia in the three months after, the date of the Information Memorandum; and
 - any fund raising document released by Eldorado in the three months before the date of the Information Memorandum is released to the market as pre-quotation disclosure;

12 Additional information

-
- (vii) waiver of paragraph 117 regarding the issue of a statement that a supplementary Information Memorandum will be issued if necessary between the issue of the Information Memorandum and the date the Eldorado CDIs are quoted, on condition that if Eldorado makes an announcement on any such matters to the Canadian securities regulatory authorities it will provide a copy of the announcement to Sino Gold for release to the market as soon as reasonably possible and Sino Gold undertakes to release any such announcements provided by Eldorado;
 - (d) waiver of ASX Listing Rule 1.1 Condition 6 to the extent necessary to permit Eldorado to apply for quotation of only those Eldorado shares represented by Eldorado CDIs, subject to the following conditions:
 - (i) Eldorado applies for quotation of new Eldorado CDIs issued into the Australian market on a monthly basis, and Eldorado provides to the market a monthly update of the net changes in the number of Eldorado CDIs over its common stock shares; and
 - (ii) Eldorado releases details of this waiver as pre-quotation disclosure;
 - (e) waiver of ASX Listing Rule 1.3.5(c) regarding the requirement to give ASX a reviewed pro forma balance sheet, on condition that Eldorado provides the following as pre-quotation disclosure:
 - (i) Eldorado's audited accounts for the year ended 31 December 2008;
 - (ii) the Investigating Accountant's Report; and
 - (iii) a review of Eldorado's balance sheet as at 30 June 2009;
 - (f) waiver of ASX Listing Rules 4.2A and 4.2B to the extent necessary to permit Eldorado not to lodge a half year report each half year, on the condition that Eldorado lodges with ASX the half year financial statements and the interim Management's Discussion and Analysis that it is required to lodge with the Canadian securities regulatory authorities at the same time as they are lodged with those authorities;
 - (g) waiver of ASX Listing Rule 4.3A and 4.3B to the extent necessary to permit Eldorado not to lodge a preliminary final report each year, on the condition that Eldorado complies with the timing requirement of the condition set out in paragraph (f) above with respect to the annual financial statements and the Annual Management's Discussion and Analysis;
 - (h) waiver of ASX Listing Rule 4.10.9 requiring the details of the 20 largest holders of each class of quoted securities, the number of equity securities each holds and the percentage of capital each holds to be included in Eldorado's annual report;
 - (i) waiver of the timing requirement in ASX Listing Rule 5.1 regarding the completion of quarterly reports for mining producing entities within one month after the end of the quarter to the extent necessary to permit Eldorado to:
 - (i) lodge that report with ASX for the first, second and third quarters within 45 days after the end of the quarter or when the report is provided to the Canadian securities regulatory authorities in accordance with Canadian Reporting Requirements, whichever is sooner; and
 - (ii) include its quarterly mining activities report to ASX for the fourth quarter in its Management Discussion and Analysis with the annual report and give the report to ASX within the reporting deadline that applies to the annual report for that year end or when Eldorado gives the report to the Canadian securities regulatory authorities in accordance with Canadian Reporting Requirements, whichever is the sooner;
 - (j) waiver of ASX Listing Rules 6.16, 6.19, 6.21, 6.22 and 6.23.4 regarding the rights and obligations that apply to options to the extent necessary to permit Eldorado to have and implement the terms in the following plans (together, the **Plans**) and issue options and have options on issue under the Plans on the condition that Eldorado releases the Plans to the market as pre-quotation disclosure and undertakes to obtain from ASX approval for the implementation of any future employee or director option plans:
 - (i) Employee Plan as amended and restated as at 7 May 2009; and
 - (ii) Directors and Officers Plan as amended and restated as at 7 May 2009;
 - (k) waiver from ASX Listing Rule 7.1 requiring an entity to seek shareholder approval for an issue of shares which would exceed 15% of the number of shares on issue, to the extent necessary to permit Eldorado to issue securities without shareholder approval, on the following conditions:
 - (i) that Eldorado remains subject to, and complies with, the requirements of TSX with respect to issues of new securities;

-
- (ii) that Eldorado certifies to ASX on an annual basis (on or about 30 September each year) that it remains subject to, has complied with, and continues to comply with the requirements of TSX with respect to the issue of new securities;
 - (iii) if Eldorado becomes aware of any change to the application of TSX listing rules with respect to the issue of new securities, or Eldorado is no longer in compliance with the requirements of TSX with respect to the issue of new securities, it must immediately advise ASX; and
 - (iv) Eldorado announces the waiver to the market as part of the pre-quotations disclosure;
- (l) waiver of ASX Listing Rules 10.11 and 10.14, to the extent necessary to permit options to be acquired under the Plans by directors and their associates without shareholder approval, on condition that certain disclosures are made in the Information Memorandum and also that a summary of the Plans and the number of securities issued to directors and their associates under the Plans during that financial year is set out in the management proxy circular provided to all Eldorado CDI holders;
- (m) waiver of ASX Listing Rule 10.18 in respect of termination benefits under existing termination arrangements to the extent necessary to allow Eldorado upon a change of control to pay termination benefits to existing Eldorado employees pursuant to the terms of Eldorado's existing employment contracts;
- (n) waiver of ASX Listing Rule 14.2.1 to the extent necessary to permit Eldorado not to provide in its proxy form for Eldorado CDI holders to vote against a resolution for the election of a director or to appoint an auditor, on the following conditions:
- (i) Eldorado complies with relevant Canadian laws as to the content of proxy form applicable to resolutions for the election of directors and appointment of an auditor;
 - (ii) the notice given by Eldorado to Eldorado CDI holders under ASTC Settlement Rule 13.8.9 (notifying Eldorado CDI holders of their rights) makes it clear that holders are only able to vote for the resolutions or abstain from voting, and the reasons why this is the case; and
 - (iii) that Eldorado releases this waiver as a pre-quotations disclosure and the terms of this waiver are set out in the management proxy circular provided to all Eldorado CDI holders;
- (o) waiver of ASX Listing Rule 14.3 regarding allowing Eldorado to accept nominations for the election of directors in accordance with the CBCA, on the condition that Eldorado releases this waiver as a pre-quotations disclosure and the terms of this waiver are set out in the management proxy circular provided to all Eldorado CDI holders; and
- (p) waiver of ASX Listing Rule 15.12, on condition that Eldorado undertakes not to acquire any classified assets in circumstances under which the ASX Listing Rules would require the issue of restricted securities without the written consent of ASX.

12.6 Consents

Consents to be named

The following persons have given and have not, before the time of registration of this booklet with ASIC, withdrawn their consent to be named in this booklet in the form and context in which they are named:

- Allens Arthur Robinson, as Australian legal adviser to Sino Gold;
- Cassels Brock & Blackwell LLP, as Canadian legal adviser to Sino Gold;
- Computershare Hong Kong Investor Services Limited, as the Sino Gold Hong Kong Share Registry;
- Dorsey & Whitney, as Hong Kong legal adviser to Sino Gold;
- Goldman Sachs JBWere Pty Ltd, as financial adviser to Sino Gold;
- Grant Samuel, as the Independent Expert;
- KPMG Transaction Services, as the Investigating Accountant;
- Link Market Services Limited, as the Eldorado CDI subregistry;
- Macquarie Capital Markets Canada Ltd., as the Sale Agent;
- Mining One Pty Ltd, as the Technical Specialist;
- Registries Limited, as the Sino Gold Scheme Registry; and
- Valiant Trust Company, as the Eldorado Share Registrar and Transfer Agent.

12 Additional information

Consents to the inclusion of statements

This booklet contains statements made by, or statements said to be based on statements made by:

- GFMS Limited, in respect of the 'H1 2009 Gold Producer Cash Operating Cost Curve' in section 1;
- Eldorado and Eldorado Pacific, in respect of the Eldorado Information;
- Grant Samuel, in respect of the Independent Expert's Report and references to that report in this booklet;
- KPMG Transaction Services, in respect of the Investigating Accountant's Report and references to that report in this booklet; and
- Mining One Pty Ltd, in respect of the Technical Specialist's Report and references to that report in this booklet.

Each of the persons named above has consented to the inclusion of each statement it has made in the form and context in which the statements appear in this booklet, and has not withdrawn that consent before the time of registration of this booklet with ASIC.

See section 12.9 for additional consents.

Bloomberg has not consented to data and information attributed to it in this booklet. This data has been accurately reproduced and, so far as Sino Gold is aware and able to ascertain from information published by Bloomberg, no facts have been omitted which would render the reproduced data and information inaccurate or misleading.

Disclaimers of responsibility

Each person referred to in this section:

- has not authorised or caused the issue of this booklet;
- does not make, or purport to make, any statement in this booklet or any statement on which a statement in this booklet is based other than as specified in this section; and
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this booklet other than a reference to its name and the statements (if any) included in this booklet with the consent of that person as specified in this section.

12.7 Creditors of Sino Gold

The Schemes, if implemented, are not expected to materially prejudice Sino Gold's ability to pay its creditors as they involve the acquisition of Sino Gold shares and cancellation of Sino Gold options for consideration provided by a third party, rather than the acquisition of Sino Gold's underlying assets. No material new liability (other than transaction costs) is expected to be incurred by Sino Gold as a consequence of the implementation of the Schemes. Sino Gold has paid and is paying all of its creditors within normal terms of trade and is solvent and trading in an ordinary commercial manner.

12.8 Other material information

Other than as contained in this booklet, there is no information material to the making of a decision in relation to the Schemes, being information that is within the knowledge of:

- Sino Gold or of any Sino Gold director; or
- Eldorado or of any Eldorado director,

that has not previously been disclosed to Sino Gold securityholders.

12.9 Information relating to ore reserves and mineral resources

Sino Gold

Information in this booklet relating to 'mineral resources' (as defined in the JORC Code) in respect of the Sino Gold properties is based on information compiled by Dr Yumin Qiu (MAIG), who is a full-time employee of Sino Gold in the capacity of Head of Exploration and Business Development. He has sufficient experience in relation to the style of mineralisation and type of deposit under consideration to qualify as a 'competent person' (as defined by the JORC Code). Dr Qiu has consented to inclusion of this information in the form and context in which it appears in this booklet, and has not withdrawn that consent before the time of registration of this booklet with ASIC.

Information in this booklet relating to 'ore reserves' (as defined in the JORC Code) in respect of the Sino Gold properties is based on information compiled by the following persons. Each has sufficient experience in relation to the style of mineralisation and type of deposit under consideration to qualify as a 'competent person' (as defined by the JORC Code). Each has consented to inclusion of this information in the form and context in which it appears in this booklet, and has not withdrawn that consent before the time of registration of this booklet with ASIC.

-
- Dr John Chen (MAusIMM), a full-time employee of Sino Gold in the capacity of Manager – Mining, Technical Services, for Jinfeng (underground), White Mountain and Eastern Dragon. He is a mining engineer with more than 20 years' experience in the mining industry in Australia and China.
 - Mr Weifeng Li (MAusIMM), a consultant of West Swan Pty Ltd, for Jinfeng (open pit). He is an open-pit mining engineer with more than 20 years' experience in the mining industry.
 - Mr Steve Craig (MAusIMM), an independent consultant with Orelogy Pty Ltd, for Beyinhar. He is a mining engineer with more than 20 years' experience in the evaluation of gold deposits.

Details of the ore reserve and mineral resource estimate methodology adopted, including a summary of relevant assessment and reporting criteria, are available in the Reserves and Resources section of Sino Gold's website (www.sinogold.com.au). Information on Sino Gold's website does not constitute a part of this booklet and should not be considered in deciding how to vote on a Scheme.

Eldorado

Stephen Juras, PGeo, and Manager, Geology of Eldorado is the qualified person for all mineral resource estimates of Eldorado and for verifying the technical data relating thereto, with the exception of Perama measured and indicated resources. The qualified person for the measured and indicated resources for Perama was Luke Evans, MSc, PEng, Scott Wilson Roscoe Postle Associates Inc. Qualified persons for mineral reserve estimates are as follows: Richard Miller, PEng and Manager, Mine Engineering of Eldorado is responsible for the Kışladağ and Tanjianshan reserves; and Andy Nichols, PEng, Chief Mining Engineer of WEI, an independent qualified person, is responsible for the Efemçukuru reserves.

Except as otherwise noted herein, Norman Pitcher, PGeo, and Chief Operating Officer of Eldorado, is the qualified person responsible for preparing or supervising the preparation of the scientific or technical information contained in this booklet in respect of Eldorado and has verified the technical data disclosure herein relating to Kışladağ, Efemçukuru and Tanjianshan.

Further information on reserves and resources is available in Eldorado technical reports filed on SEDAR.

This booklet contains statements made by, or statements said to be based on statements made by:

- Stephen Juras, qualified person;
- Luke Evans, qualified person;
- Scott Wilson Roscoe Postle Associates Inc., employer of Luke Evans;
- Richard Miller, qualified person;
- Andy Nichols, qualified person;
- Wardrop Engineering Inc., employer of Andy Nichols; and
- Norman Pitcher, qualified person.

Each of the persons named above (or, in the case of Andy Nichols, his former employer Wardrop Engineering Inc. on his behalf) has consented to the inclusion of each statement it has made in the form and context in which the statements appear in this booklet, and has not withdrawn that consent before the time of registration of this booklet with ASIC.

12.10 Supplementary information

Subject to any direction from the Court, Sino Gold will issue a supplement to this booklet if it becomes aware of any of the following between the date of this booklet and the Scheme Meetings:

- a material statement in this booklet is misleading or deceptive;
- a material omission from this booklet;
- a significant change affecting a matter included in this booklet; or
- a significant new matter arising which would have been required to be included in this booklet.

The form the supplement may take, and whether a copy will be sent to each Sino Gold securityholder, will depend on the nature and the timing of the statement, omission, change or new matter. Any supplement will be released to ASX and HKSE and made available from their respective websites (www.asx.com.au and www.hkex.com.hk), under Sino Gold's name.

Glossary

13

In this booklet, unless the context otherwise requires:

- (a) words and phrases have the same meaning (if any) given to them in the Corporations Act;
- (b) words importing a gender include any gender;
- (c) words importing the singular include the plural and vice versa;
- (d) other parts of speech and grammatical forms of a word or phrase defined in this booklet have a corresponding meaning;
- (e) an expression importing a natural person includes any company, partnership, joint venture, association, corporation or other body corporate and vice versa;
- (f) a reference to any thing (including, but not limited to, any right) includes a part of that thing but nothing in this paragraph implies that performance of part of an obligation constitutes performance of the obligation;
- (g) a reference to a section or annexure is a reference to a section of and an annexure to this booklet as relevant;
- (h) a reference to any statute, regulation, proclamation, ordinance or by-law includes all statutes, regulations, proclamations, ordinances, or by-laws amending, varying, consolidating or replacing it and a reference to a statute includes all regulations, proclamations, ordinances and by-laws issued under that statute;
- (i) an expression defined in, or given a meaning for the purpose of, the Corporations Act in a context similar to that in which the expression is used in this booklet has the same meaning or definition;
- (j) specifying anything in this booklet after the words 'including' or 'for example' or similar expressions does not limit what else is included, unless there is express wording to the contrary; and
- (k) headings and bold type are for convenience only and do not affect the interpretation of this booklet.

13 Glossary

In this booklet, unless the context otherwise requires:

Term	Meaning
A-IFRS:	the International Financial Reporting Standards as adopted in Australia.
ASIC:	Australian Securities and Investments Commission.
ASX:	ASX Limited (ABN 98 008 624 691) or, as the context requires, the financial market known as the Australian Securities Exchange operated by it.
Beyinhar:	Neimenggu Golden China Minerals, Inc., a cooperative joint venture formed under Chinese law or, as the context requires, the Beyinhar project owned by it.
Business Day:	a day, other than a Saturday, Sunday or public holiday, on which banks are open for business in Sydney, Australia and Vancouver, Canada and ASX and TSX are open for trading.
CBCA:	<i>Canada Business Corporations Act</i> (Canada).
CCASS:	the Central Clearing and Settlement System operated by Hong Kong Securities Clearing Company Limited, a wholly owned subsidiary of Hong Kong Exchanges and Clearing Limited.
CCASS Clearing Participant:	a person admitted to participate in CCASS as a direct clearing participant or general clearing participant.
CCASS Custodian Participant:	a person admitted to participate in CCASS as a custodian participant.
CCASS Investor Participant:	a person admitted to participate in CCASS as an investor participant.
CDI:	a CHESS depositary instrument, being a unit of beneficial ownership in shares of a foreign company registered in the name of CDN.
CDN:	CHESS Depositary Nominees Pty Limited (ABN 75 071 346 506).
C-GAAP or Canadian GAAP:	Canadian generally accepted accounting principles.
CGT:	Australian capital gains tax.
CHESS:	the clearing house electronic subregister system of share transfers operated by ASX Settlement and Transfer Corporation Pty Limited (ABN 49 008 504 532).
Combined Group:	the corporate group comprising Eldorado and its subsidiaries (including Sino Gold and its subsidiaries) after implementation of the Schemes.
Conditions Precedent:	the conditions precedent to the Share Scheme set out in clause 3.1 of the Scheme Implementation Deed.
Corporations Act:	<i>Corporations Act 2001</i> (Cth).
Corporations Regulations:	<i>Corporations Regulations 2001</i> (Cth).
Court:	the Federal Court of Australia.
Eastern Dragon:	Hei He Rockmining Development Limited, a cooperative joint venture formed under Chinese law or, as the context requires, the Eastern Dragon project owned and being developed by it.

Term	Meaning
EEOP:	the Sino Gold Executive and Employee Option Plan.
Efemçukuru:	Efemçukuru Gold Project in Turkey.
Effective:	when used in relation to a Scheme, the coming into effect, pursuant to section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to that Scheme.
Effective Date:	when used in relation to a Scheme, the date on which that Scheme becomes Effective.
Eldorado:	Eldorado Gold Corporation (ARBN 139 729 865), a Canadian corporation, and, where the context requires, Eldorado Gold Corporation and its subsidiaries.
Eldorado Board:	the Eldorado board of directors.
Eldorado CDI:	a CDI in respect of an Eldorado share.
Eldorado CDI Register:	the register of CDI holders maintained by Eldorado or its agent.
Eldorado Group:	Eldorado and each of its subsidiaries and a reference to an 'Eldorado Group Member' or a 'Member of the Eldorado Group' is to Eldorado or any of its subsidiaries.
Eldorado Information:	<ol style="list-style-type: none"> 1. the information contained in the Letter from the Chairman of Eldorado, in sections 4, 5, 6, 7.13, 8 and 14, and under the 'Eldorado' headings in section 11; 2. the information contained elsewhere in this booklet repeating or based on the information referred to in 1; 3. in the Important Notices section – the information in the third paragraph under the heading '<i>Sino Gold securityholders outside Australia</i>' and under the heading '<i>Mineral reserves and mineral resources</i>' (other than the second sentence under that heading); 4. in the section titled '<i>Why you should vote in favour of the scheme(s) relevant to you</i>' – the information in the subsection titled '<i>Sino Gold securityholders will be able to participate in the potential benefits resulting from the scale, scope and growth profile of the Combined Group</i>', under the headings: <ol style="list-style-type: none"> (i) '<i>Creates an intermediate size gold producer with a strong financial position and unhedged production</i>'; (ii) '<i>Gives Sino Gold securityholders exposure to a more geographically and operationally diverse portfolio of high quality and relatively low-cost assets</i>' in the second and third bullet points only, and only to the extent the information relates to Eldorado Group assets and Eldorado's position as the leading international company in Turkey in terms of gold production (for the avoidance of doubt, the text '<i>Sino expects its 2009 cash operating costs will be below US\$400 per gold ounce</i>' and the related footnote do not constitute part of the Eldorado Information); and (iii) '<i>Provides an attractive platform for growth</i>'; 5. in the section titled '<i>Frequently asked questions</i>', the information in the subsection titled '<i>Information about the Combined Group</i>' (other than the final sentence of question 10);

13 Glossary

Term	Meaning
Eldorado Information: (continued)	<p>6. in section 1 titled 'Explanation of why you should vote in favour of the scheme(s) relevant to you':</p> <p>(i) the information in the subsection titled 'Creates an intermediate size gold producer with a strong financial position and unhedged production' up until the information in that subsection relating to the market capitalisations of the Combined Group relative to other Intermediate Size Gold Producers – that latter information commences in the paragraph beginning 'The diagram below shows';</p> <p>(ii) the sentence: 'Similarly, Eldorado has low cost operations and expects its 2009 cash operating costs of production to be approximately US\$300 per gold ounce.'; and</p> <p>(iii) the information after the third paragraph in the subsection titled 'Provides an attractive platform for growth' up until (but not including) the subsection titled 'Is likely to result in increased stock market appeal through enhanced liquidity and visibility.';</p> <p>7. in section 7.7, the information in the first sentence;</p> <p>8. in section 7.8, the information in the first sentence under the subheading 'compulsory acquisition';</p> <p>9. in section 9, all statements that Eldorado will post values on its website 'as soon as practicable after the Implementation Date';</p> <p>10. in sections 12.5 and 12.9, the information under the 'Eldorado' headings; and</p> <p>11. information stated to be made by Eldorado or disclosed by Eldorado on SEDAR (in the case of disclosure on SEDAR, prior to the Merger Announcement Date),</p> <p>except, in the case of any information regarding Sino Gold or the Combined Group (including in section 5) and the information in section 8, to the extent it is based on information supplied by Sino Gold, stated to be made by Sino Gold or disclosed by Sino Gold on ASX (in the case of disclosure on ASX, prior to the Merger Announcement Date).</p>
Eldorado Material Adverse Change:	the meaning given in clause 1.1 of the Scheme Implementation Deed.
Eldorado Pacific:	Eldorado Pacific Pty Limited (ACN 140 003 149), a wholly owned subsidiary of Eldorado.
Eldorado Prescribed Occurrence:	the meaning given in clause 1.1 of the Scheme Implementation Deed.
Eldorado share:	a common share in the capital of Eldorado.
Eldorado Share Register:	the register of Eldorado shareholders maintained by Eldorado or its agent.
Election Deadline:	5.00pm ¹ on the fifth Business Day following the Effective Date which, at the date of this booklet, is expected to be Friday, 11 December 2009.
End Date:	31 March 2010.
Excluded Shareholder:	any Sino Gold shareholder who is a member of the Eldorado Group or any Sino Gold shareholder who holds any Sino Gold Shares on behalf of, or for the benefit of, any member of the Eldorado Group.
FIRB:	Foreign Investment Review Board.

Note:

1 2.00pm Hong Kong time.

Term	Meaning
FIRB Approval:	either: <ol style="list-style-type: none"> the Treasurer of Australia notifies Eldorado that there are no objections in terms of the foreign investment policy of the Australian government to the Share Scheme; or the Treasurer of Australia becomes precluded by the passage of time from making any orders under Part II of the Foreign Acquisitions and Takeovers Act 1975 in respect of the Share Scheme.
Frontier:	Frontier Pacific Mining Corporation.
GFA:	Gold Fields Australasia (BVI) Limited.
Golden China:	Golden China Resources Corporation, a wholly owned subsidiary of Sino Gold.
Grant Samuel:	Grant Samuel & Associates Pty Limited (ABN 28 050 036 372).
H1:	first half of a financial year.
HKSCC Nominees:	HKSCC Nominees Limited, a subsidiary of Hong Kong Securities Clearing Company Limited, which acts as the common nominee for shares held in the CCASS depository.
HKSE:	The Stock Exchange of Hong Kong Limited or, as the context requires, the financial market known as the Hong Kong Stock Exchange operated by it.
HKSE Listing Rules:	the Rules Governing the Listing of Securities on HKSE.
Hong Kong:	the Hong Kong Special Administrative Region of the People's Republic of China.
IFRS:	International Financial Reporting Standards.
Implementation Date:	the date on which a Scheme is to be implemented, being the date that is four days after the Record Date for that Scheme, or such other date as Sino Gold and Eldorado agree.
Independent Expert:	Grant Samuel.
Independent Expert's Report:	the report by the Independent Expert, a copy of which is contained in annexure A.
Ineligible Foreign Securityholder:	a Scheme Shareholder whose address shown in the Sino Gold Share Register, or a Scheme Optionholder whose address shown in the Sino Gold Option Register, is a place outside Australia and its external territories, Canada, China (including Hong Kong but excluding Macao), New Zealand, Singapore, Switzerland, the United Kingdom or the United States of America, unless Eldorado determines that it is lawful and not unduly onerous or impracticable to issue that Scheme Shareholder with new Eldorado shares when the Share Scheme becomes Effective.
Investigating Accountant:	KPMG Transaction Services.
Investigating Accountant's Report:	the report by the Investigating Accountant, a copy of which is contained in annexure B.
Jinfeng:	Sino Guizhou Jinfeng Mining Limited, a cooperative joint venture formed under Chinese law or, as the context requires, the Jinfeng gold mine owned and operated by it.
JORC Code:	Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2004 edition.
Kişladağ:	Kişladağ Mine in Turkey.
KPMG Transaction Services:	KPMG Transaction Services (Australia) Pty Limited (ABN 65 003 891 718).

13 Glossary

Term	Meaning
Merger:	the proposed merger between Sino Gold and Eldorado to be implemented through the Schemes.
Merger Announcement Date:	26 August 2009.
new Eldorado share:	an Eldorado share issued as Scheme Consideration or in support of an Eldorado CDI issued as Scheme Consideration.
NI 43-101:	National Instrument 43-101 <i>Standards of Disclosure for Mineral Projects</i> .
NI 71-102:	National Instrument 71-102 <i>Continuous Disclosure And Other Exemptions Relating To Foreign Issuers</i>
NYSE:	NYSE AMEX LLC or the New York Stock Exchange, whichever stock exchange in the United States of America upon which the Eldorado shares are listed and traded.
Option Scheme:	the creditors' scheme of arrangement under Part 5.1 of the Corporations Act between Sino Gold and the Scheme Optionholders substantially in the form set out in annexure H or in such other form as Sino Gold and Eldorado agree in writing.
Option Scheme Consideration:	the consideration to be provided to eligible Sino Gold optionholders under the terms of the Option Scheme for the cancellation of their Sino Gold options, ascertained in accordance with clause 4.4 of the Option Scheme.
Option Scheme Deed Poll:	the deed poll dated 28 October 2009 by Eldorado and Eldorado Pacific relating to the Option Scheme, a copy of which is contained in annexure G.
Option Scheme Meeting:	Option Scheme Meeting 1 or Option Scheme Meeting 2, as the context requires.
Option Scheme Meeting 1:	the meeting of Sino Gold out of the money optionholders to be convened by the Court in relation to the Option Scheme pursuant to section 411(1) of the Corporations Act.
Option Scheme Meeting 2:	the meeting of Sino Gold in the money optionholders to be convened by the Court in relation to the Option Scheme pursuant to section 411(1) of the Corporations Act.
Perama:	Perama Hill Gold Project in Greece.
Proxy Form:	the yellow proxy form (for the Share Scheme Meeting), the green proxy form (for Option Scheme Meeting 1) or the grey proxy form (for Option Scheme Meeting 2) that accompanied this booklet or is available from the Sino Gold Scheme Registry.
Record Date:	the fifth Business Day after the Effective Date.
Retail Securityholder:	<ol style="list-style-type: none"> in relation to the Share Scheme, a Sino Gold shareholder who is entitled to receive 55,000 or less Eldorado CDIs under the Share Scheme; and in relation to the Option Scheme, a Sino Gold optionholder who is entitled to receive 55,000 or less Eldorado CDIs under the Option Scheme.
Sale Agent:	Macquarie Capital Markets Canada Ltd.
Sale Election Form:	the blue sale election form (for the Share Scheme) or the white sale election form (for the Option Scheme) that accompanied this booklet or is available from the Sino Gold Scheme Registry.
Sale Facility:	the facility described in section 8.5.
Sale Facility Participant:	a Scheme Shareholder or Scheme Optionholder in respect of whom Eldorado shares are issued to the Sale Agent as nominee in trust in the circumstances referred to in section 8.5.

Note:

1 2.00pm Hong Kong time.

Term	Meaning
Sale Facility Shares:	the shares described in section 8.5.
Scheme:	the Share Scheme or the Option Scheme, as the context requires.
Scheme Consideration:	Option Scheme Consideration or Share Scheme Consideration, as the context requires.
Scheme Implementation Deed:	the scheme implementation deed dated 26 August 2009, as amended, between Sino Gold and Eldorado relating to the implementation of the Schemes, a copy of which is contained in annexure D.
Scheme Meeting:	the Share Scheme Meeting or one of the Option Scheme Meetings, as the context requires.
Scheme Option:	each Sino Gold option on issue at 5.00pm ¹ on the Record Date.
Scheme Optionholder:	each person registered in the Sino Gold Option Register as the holder of Scheme Options at 5.00pm ¹ on the Record Date.
Scheme Share:	each Sino Gold share on issue at 5.00pm ¹ on the Record Date.
Scheme Shareholders:	each person registered in the Sino Gold Share Register as the holder of Scheme Shares at 5.00pm ¹ on the Record Date.
Second Court Date:	the date on which the application made to the Court for orders pursuant to section 411(4)(b) of the Corporations Act approving the Schemes is first heard.
Second Court Hearing:	the hearing of the application made to the Court for orders pursuant to section 411(4)(b) of the Corporations Act approving the Schemes.
SEDAR:	the System for Electronic Document Analysis and Retrieval of the securities regulatory authorities in Canada.
Share Election:	an election by a Sino Gold securityholder (other than an Ineligible Foreign Securityholder) to receive Eldorado shares rather than Eldorado CDIs, which election is made by following the procedure in section 8.4 under ' <i>How to make a Share Election</i> '.
Share Election Form:	the share form available from the Sino Gold Scheme Registry.
Share Scheme:	the members' scheme of arrangement under Part 5.1 of the Corporations Act between Sino Gold and the Scheme Shareholders substantially in the form set out in annexure E or in such other form as Sino Gold and Eldorado agree in writing.
Share Scheme Consideration:	the consideration to be provided to Scheme Shareholders under the terms of the Share Scheme for the transfer to Eldorado Pacific of their Scheme Shares, ascertained in accordance with clause 4.4 of the Share Scheme.
Share Scheme Deed Poll:	the deed poll dated 28 October 2009 by Eldorado and Eldorado Pacific relating to the Share Scheme, a copy of which is contained in annexure D.
Share Scheme Meeting:	the meeting of Sino Gold shareholders to be convened by the Court in relation to the Share Scheme pursuant to section 411(1) of the Corporations Act.
Sino Gold:	Sino Gold Mining Limited (ABN 42 093 518 579) and, where the context requires, includes Sino Gold Mining Limited and its subsidiaries.
Sino Gold Board:	the Sino Gold board of directors.
Sino Gold Hong Kong Share Register:	the Hong Kong branch register of the Sino Gold Share Register, maintained by the Sino Gold Hong Kong Share Registry.
Sino Gold Hong Kong Share Registry:	Computershare Hong Kong Services Limited.

Note:

1 2.00pm Hong Kong time.

13 Glossary

Term	Meaning
Sino Gold Information:	the information in this booklet, except: <ol style="list-style-type: none"> 1. the Eldorado Information; 2. the Independent Expert's Report (including the Technical Specialist's Report); and 3. the Investigating Accountant's Report.
Sino Gold in the money option:	an option to acquire a Sino Gold share with an exercise price less than A\$7.17 or, for options with a C\$ exercise price, C\$6.49.
Sino Gold in the money optionholder:	a holder of Sino Gold in the money options.
Sino Gold Material Adverse Change:	the meaning given in clause 1.1 of the Scheme Implementation Deed.
Sino Gold option:	a Sino Gold out of the money option or a Sino Gold in the money option.
Sino Gold optionholder:	a holder of Sino Gold options.
Sino Gold Option Register:	the register of optionholders of Sino Gold maintained in accordance with the Corporations Act.
Sino Gold out of the money option:	an option to acquire a Sino Gold share with an exercise price equal to or greater than A\$7.17 or, for options with a C\$ exercise price, C\$6.49.
Sino Gold out of the money optionholder:	a holder of Sino Gold out of the money options.
Sino Gold Prescribed Occurrence:	the meaning given in clause 1.1 of the Scheme Implementation Deed.
Sino Gold Scheme Registry:	Registries Limited (ABN 14 003 209 836).
Sino Gold security:	a Sino Gold share or a Sino Gold option.
Sino Gold securityholder:	a Sino Gold shareholder or a Sino Gold optionholder.
Sino Gold share:	a fully paid ordinary share in the capital of Sino Gold.
Sino Gold Share Register:	the register of members of Sino Gold maintained in accordance with the Corporations Act.
Sino Gold shareholder:	a holder of Sino Gold shares.
Superior Proposal:	the meaning given in clause 1.1 of the Scheme Implementation Deed.
Tanjianshan:	Tanjianshan Mine in China.
Technical Specialist:	Mining One Pty Ltd (ACN 114 365 632).
Technical Specialist's Report:	the report by the Technical Specialist, a copy of which is contained in appendix 4 to the Independent Expert's Report.
Third Party Transaction:	the meaning given in clause 1.1 of the Scheme Implementation Deed.
Top-Up Right:	the right of GFA referred to in section 4.13.
TSX:	the Toronto Stock Exchange.
TSX Trading Day:	a day on which the TSX is open for trading.
Tüprag:	Tüprag Metal Madencilik Sanayi ve Ticaret A.S.
VWAP:	volume weighted average price.
White Mountain:	Sino Gold Jilin BMZ Mining Limited, a cooperative joint venture formed under Chinese law or, as the context requires, the White Mountain gold mine owned and operated by it.

Mining technical glossary

14

14 Mining technical glossary

In this booklet, unless the context otherwise requires:

Term	Meaning
Andesitic:	a rock condition where andesite, an igneous rock that has a silica content of approximately 60%, is present.
Arsenopyrite:	a whitish to steel grey coloured arsenian mineral (FeAsS).
Au:	gold.
Calcareous:	a substance that contains calcium carbonate.
CIL:	carbon in leach. CIL is a recovery process in which a slurry of gold ore, carbon granules and cyanide are mixed together. The cyanide dissolves the gold, which is then adsorbed on the carbon. The carbon is subsequently separated from the slurry, and the gold removed from the carbon.
CIM:	Canadian Institute of Mining, Metallurgy and Petroleum.
diamond drill:	a type of rotary drill in which the cutting is done by abrasion rather than percussion. The cutting bit is set with diamonds and is attached to the end of long hollow rods through which water is pumped to the cutting face. The drill cuts a core of rock that is recovered in long cylindrical sections, an inch in diameter.
dilution:	waste material not separated from mined ore that was below the calculated economic cut-off grade of the deposit. Dilution results in increased tonnage mined and reduced overall grade of the ore.
Dip:	the angle that a geological structure forms with a horizontal surface, measured perpendicular to the strike of the structure.
doré:	unrefined gold and silver in bullion form.
fault:	a surface or zone of rock fracture along which there has been displacement, from a few centimetres to a few kilometres in scale.
flotation:	a process by which some mineral particles are induced to become attached to bubbles and float, and other particles to sink, so that the valuable minerals are concentrated and separated from the host rock.
Gabbro:	a dark coloured, crystalline intrusive igneous rock, composed principally of the calcium, iron and magnesium bearing aluminosilicate minerals.
grade:	the weight of precious metals in each tonne of ore.
g/t:	grams of gold per metric tonne.
ha:	hectare.
km:	kilometre.
km²:	square kilometres.
leach:	gold being dissolved in cyanide solution in heap leaching or in tanks in a processing plant (agitated leach, carbon in pulp, carbon in leach).
LOM:	life of mine.
m:	metres.
Metallurgy:	the science of extracting metals from ores by mechanical and chemical processes and preparing them for use.
micron:	0.000001 metres.

Term	Meaning
mill:	a plant where ore is crushed and ground to expose metals or minerals of economic value, which then undergo physical and/or chemical treatment to extract the valuable metals or minerals.
mine:	an excavation in the earth for the purpose of extracting minerals. The excavation may be an open pit on the surface or underground workings.
mineral reserve (CIM definition):	<p>the part of a measured or indicated mineral resource that could be economically mined, demonstrated by at least a preliminary feasibility study that includes adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate (at the time of reporting) that economic extraction can be justified. A mineral reserve includes diluting materials and allowances for losses that may occur when the material is mined. Mineral reserves are those parts of mineral resources which, after applying all mining factors, result in an estimated tonnage and grade that, in the opinion of the qualified person(s) making the estimates, is the basis of an economically viable project after taking account of all relevant processing, metallurgical, economic, marketing, legal, environment, socio-economic and government factors. The term 'mineral reserve' need not necessarily signify that extraction facilities are in place or operative or that all governmental approvals have been received, although it does signify that there are reasonable expectations of such approvals. Mineral reserves are subdivided into proven mineral reserves and probable mineral reserves. Mineral reserves fall under the following categories:</p> <p>proven mineral reserves That part of a measured mineral resource that is economically mineable, demonstrated by at least a preliminary feasibility study that includes adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate (at the time of reporting) that economic extraction is justified.</p> <p>probable mineral reserves That part of an indicated (and in some circumstances a measured) mineral resource that is economically mineable, demonstrated by at least a preliminary feasibility study that includes adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate (at the time of reporting) that economic extraction can be justified.</p>
mineral resource (CIM definition):	<p>a concentration or occurrence of natural, solid, inorganic or fossilised organic material in or on the Earth's crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a mineral resource are known, estimated or interpreted from specific geological evidence and knowledge. Mineral resources fall under the following categories:</p> <p>measured mineral resource That part of a mineral resource for which quantity, grade or quality, densities, shape and physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters to support production planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough to confirm both geological and grade continuity.</p>

14 Mining technical glossary

Term	Meaning
mineral resource (CIM definition): (continued)	<p>indicated mineral resource That part of a mineral resource for which quantity, grade or quality, densities, shape and physical characteristics can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed.</p> <p>inferred mineral resource That part of a mineral resource for which quantity and grade or quality can be estimated on the basis of geological evidence, limited sampling and reasonably assumed (but not verified) geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes.</p>
mineral resource (JORC Code definition):	the meaning given in the JORC Code.
mineralisation:	rock containing minerals or metals of potential economic interest.
Mm:	millimetres.
Moz:	million ounces.
mtpa	million tonnes per annum.
ore:	a natural aggregate of one or more minerals that, at a specified time and place, may be mined and sold at a profit, or from which some part may be profitably separated.
ore reserve:	the meaning given in the JORC Code.
ounce (or oz):	troy ounce, equal to 31.103 grams.
oxide ore:	mineralised rock in which some of the original minerals, usually sulphide, have been oxidised. Oxidation tends to make the ore more porous and permits a more complete permeation of cyanide solutions so that minute particles of gold in the interior of the minerals will be readily dissolved.
Paleozoic:	unit of geologic time spanning from 570 to 245 million years ago.
Phyllite:	a metamorphic rock containing fine-grained, planar-oriented mica minerals. This orientation imparts a layering to the rock.
Plagiogranite:	a light-coloured, crystalline intrusive igneous rock, composed of sodium and calcium bearing alumino-silicate minerals and quartz (SiO ₂).
Porphyritic:	texture of an igneous rock in which larger crystals are set in a finer groundmass.
Proterozoic:	unit of geologic time spanning from 2,500 to 570 million years ago.
roasting:	a method of oxidizing refractory ore using heat.
ROM:	run of mine. Pertains to the ore that has been mined but not crushed.
SAG:	semi autogenous grinding.
tpd:	tonnes per day.
tpa:	tonnes per annum.

Annexure – Independent Expert's Report



Annexure A

Independent Expert's Report

GRANT SAMUEL



GRANT SAMUEL & ASSOCIATES

LEVEL 6

1 COLLINS STREET MELBOURNE VIC 3000

T: +61 3 9949 8800 / F: +61 3 9949 8838

www.grantsamuel.com.au

9 October 2009

The Directors
Sino Gold Mining Limited
Level 22, 44 Market Street
Sydney NSW 2000

Dear Directors

Proposed Acquisition by Eldorado Gold Corporation

1 Introduction

Sino Gold Mining Limited ("Sino Gold") is an Australian gold mining company with operations in China. Its key assets are an 82% interest in the Jinfeng gold mine, the second largest gold mine in China, a 95% interest in the White Mountain gold mine and a 95% interest in the Eastern Dragon development project. Listed on the Australian Securities Exchange ("ASX") and Hong Kong Stock Exchange, Sino Gold had a market capitalisation at 6 October 2009 of approximately \$2.0 billion.

On 26 August 2009, Sino Gold and Eldorado Gold Corporation ("Eldorado") announced that they had signed a Scheme Implementation Deed under which Eldorado proposes to acquire all of the issued and outstanding shares in Sino Gold it does not already own via a scheme of arrangement ("Proposal"). In addition, Eldorado has made a proposal to all Sino Gold optionholders ("Option Proposal") whereby all Sino Gold options on issue will be cancelled under an option scheme in exchange for Eldorado shares.

Under the Proposal, Sino Gold shareholders will receive 0.55 Eldorado shares for each Sino Gold share ("Consideration"). Eldorado is seeking to have its shares effectively listed on the ASX by way of Chess Depositary Interests ("CDIs"). If Eldorado CDIs are listed on the ASX, Sino Gold shareholders will be able to choose to accept either Eldorado CDIs or Eldorado shares listed on the Toronto Stock Exchange ("TSX") and New York Stock Exchange ("NYSE").

Eldorado is a Canadian gold mining company, with assets in Turkey, China, Greece and Brazil. Its major assets are the Kişladağ gold mine in Turkey, the Tanjianshan gold mine in China and the Efemçukuru gold project in Turkey. Listed on both the TSX and the New York Stock Exchange, Eldorado had a market capitalisation at 6 October 2009 of approximately C\$5.1 billion. Eldorado already holds 19.8% of the shares in Sino Gold. It acquired this shareholding in June 2009 from Gold Fields Limited ("Gold Fields") following an extensive process conducted by Gold Fields to seek a buyer for the shares.

The Proposal will require the approval of Sino Gold shareholders, while the Option Proposal will require the approval of optionholders, voting in two separate classes.

The directors of Sino Gold have engaged Grant Samuel & Associates Pty Limited ("Grant Samuel") to prepare an independent expert's report setting out whether, in its opinion:

- the Proposal is in the best interests of Sino Gold shareholders (other than Eldorado); and
- the Option Proposal is in the best interests of each of the two classes of Sino Gold optionholders.

This letter contains a summary of Grant Samuel's opinion and main conclusions and is extracted from Grant Samuel's full report. A copy of this letter and the full report will accompany the Scheme Booklet to be sent to Sino Gold shareholders.

GRANT SAMUEL



2 Summary of Opinion

Grant Samuel has valued Sino Gold in the range \$5.98-6.76 per share. On the basis of recent Eldorado share prices in the range C\$11.50-C\$12.50, Grant Samuel has attributed a value of \$6.66-7.24 per Sino Gold share to the Consideration. The value of the Consideration is at the top end of the range of underlying values estimated for Sino Gold. Accordingly, in Grant Samuel's view, the Proposal is clearly fair and reasonable. Grant Samuel has therefore concluded that the Proposal is in the best interests of shareholders.

Holders of Sino Gold options that are in-the-money will effectively receive value consistent with the value received by shareholders. Holders of out-of-the-money options will be treated on a basis that, in Grant Samuel's view, is relatively generous. Grant Samuel has concluded that the Options Proposal is in the best interests of holders of options.

Sino Gold securityholders should understand that the value of the Consideration could change, potentially significantly, as a result of changes in the gold price, exchange rates or the operational prospects for the assets of Eldorado and Sino Gold, or for other reasons. More information in relation to these risks is set out below in this letter and also in the detailed report of which this letter is a summary.

3 Key Conclusions

- **Grant Samuel has valued Sino Gold in the range \$5.98-\$6.76 per share.**

Grant Samuel has valued Sino Gold in the range US\$1,536-1,740 million which corresponds to a value of \$5.98-6.76 per share at an exchange rate of A\$1.00 = US\$0.873. The valuation represents the estimated full underlying value of Sino Gold assuming 100% of the company was available to be acquired and includes a premium for control. The value exceeds the price at which, based on current market conditions, Grant Samuel would expect Sino Gold shares to trade on the ASX in the absence of a takeover offer.

The valuation is summarised below:

Sino Gold - Valuation Summary ¹					
	Value Range				
	US\$ million		A\$ million		
	Low	High	Low	High	
Jinfeng (82% interest)	1,066	1,148	1,221	1,315	
White Mountain (95% interest)	228	276	261	316	
Eastern Dragon (95% interest)	290	325	332	372	
Beyinhar (95% interest)	5	14	5	16	
Exploration (Sino Gold's interest)	5	15	6	17	
Head office costs (net of savings)	(50)	(30)	(57)	(34)	
Enterprise Value	1,544	1,748	1,768	2,002	
Incremental shareholder loans	6	6	7	7	
Sino Gold's share of debt	(157)	(157)	(179)	(179)	
Sino Gold's share of cash	144	144	165	165	
Value of equity	1,536	1,740	1,760	1,993	
Shares on issue (millions)			292.6	292.6	
Value per share			6.01	6.81	
Value per share fully diluted for options			5.98	6.76	

¹ Numbers might not add due to rounding.

Annexure A

Independent Expert's Report

GRANT SAMUEL



The valuation reflects evidence as to value derived from the gold futures methodology, discounted cash flow analysis, comparable company analysis and valuation benchmarks commonly used in the gold sector.

Grant Samuel appointed Mining One Pty Ltd ("Mining One") as technical specialist to review Sino Gold's gold assets. Mining One's role included a review of reserves and resources, development plans, production schedules, operating costs, capital costs and exploration potential. Mining One also prepared valuations of Sino Gold's exploration interests. Mining One's report is attached to Grant Samuel's report.

Grant Samuel's financial analysis was based on valuation scenarios prepared in conjunction with Mining One, reflecting Mining One's judgements regarding the range of assumptions as to ultimate mining inventory, mine life, capital costs and operating costs that could reasonably be adopted for valuation purposes. The valuation adopted a gold price assumption of US\$980-1,020/oz, Australian dollar/United States dollar exchange rate of 0.873 and United States inflation assumption of 2.0%. The financial models projected US\$ cash flows from 1 July 2009 onwards. Present values were estimated using a range of discount rates.

The valuation is based on a number of important assumptions, including assumptions regarding gold prices, exchange rates and future operating performance. Gold prices, exchange rates and expectations regarding future operating performance can change significantly over short periods of time. Such changes can have significant impacts on underlying value.

■ **The valuation of Sino Gold reflects the particular characteristics of Sino Gold's assets and its unique position in the Chinese gold sector.**

Sino Gold (including its predecessor) has been operating in China for over ten years and is the largest foreign gold company with significant operations in China. During that time, it has successfully brought into production three gold mines and is expecting to shortly commence development of the Eastern Dragon mine. Its Jinfeng gold mine is the second largest producer in China and a significant mine by world standards.

Sino Gold has developed good commercial relationships with a number of mining contractors within China that allow it to successfully complete developments at costs and within timeframes that are very competitive by world standards. It has extensive experience in operating within the administrative regimes of the various levels of government in China and has proven ability to develop projects to meet both Chinese regulatory requirements and international standards. These attributes are all evidence of a significant strategic "first mover advantage" in the Chinese gold sector. In addition, Sino Gold has established relationships, technical and management skills and credibility in the Chinese gold sector which should create opportunities for it to grow its business through resource acquisition and expansion.

Sino Gold's short term production growth will come from the relatively high grade, low cost Eastern Dragon mine. Despite the fact that Eastern Dragon is expected to be extremely profitable, Sino Gold's Jinfeng mine is the major contributor of Sino Gold's value. On the basis of the technical review of Jinfeng by Mining One, there appear to be limited grounds to expect a substantial expansion of ultimate mining inventory relative to the current reserve base. Grant Samuel's valuation of Jinfeng has, however, reflected a judgement that an acquirer of the project would be prepared to pay a premium to the apparent current value of the Jinfeng operation.

The valuation of the Jinfeng gold mine reflects the possibility that further exploration drilling, particularly from underground, will ultimately result in an expansion of the Jinfeng Reserve. Notwithstanding the limited evidence currently available to support such an outcome, the mineralised structure does appear to be continuing at depth. Jinfeng's underground exploration efforts in recent years have been modest as management has focussed on mining operations. The premium also reflects optionality inherent in Jinfeng's location in a geologically promising mining region. The Jinfeng plant has the capacity to treat refractory ore and could allow the development of ore bodies discovered nearby that might otherwise not be viable. In addition, Jinfeng, as Sino

G R A N T S A M U E L



Gold's largest operation in China, effectively provides the critical mass that allows Sino Gold to maintain the strategic advantages it has developed in operating in China.

Grant Samuel has assessed the sovereign risk associated with Sino Gold's operations in China as relatively low. The Chinese Government promotes a free-market economy and has been open to foreign investment for almost two decades. The Economist Intelligence Unit rates China as investment grade from a sovereign risk point of view. China also enjoys an investment-grade credit rating with all major ratings agencies. Although credit ratings are not a measure of sovereign risk, China's credit ratings support the view that China offers an attractive investment environment and that perceived sovereign risk is low. Sino Gold's experience in China and its successful track record of securing exploration and mining licences and developing and operating gold mines also suggest that, at least in relation to Sino Gold's current operations, Chinese sovereign risk is not significant.

■ **Grant Samuel has valued the Consideration in the range \$6.66-7.24 per Sino Gold Share.**

Grant Samuel has assessed the current value of the Consideration under the Proposal at \$6.66-7.24 per Sino Gold share based on an estimated market value of Eldorado shares of C\$11.50-C\$12.50 per share. This range compares to a closing Eldorado share price on 6 October 2009 of C\$12.81. Grant Samuel has also assumed a Canadian dollar/Australian dollar exchange rate of 0.95.

Grant Samuel believes that it is reasonable to adopt this range for the following reasons:

- the range of \$11.50-12.50 reflects the recent share market trading in Eldorado shares. It represents the market's current assessment of the trading value of Eldorado shares and appears to incorporate an expectation that the Proposal will proceed;
- while the range implies high multiples of reserves, resources, production and EBITDA, Eldorado has historically traded on high multiples. Analysis of Eldorado's production costs and expected growth in production indicates that there are good reasons for Eldorado's shares to trade at premium multiples;
- the range is consistent with brokers' target share prices for Eldorado. Eldorado is followed by numerous brokers' analysts;
- there have been reasonable volumes of trading in Eldorado shares since the announcement of the Proposal; and
- analysis of the combined Eldorado and Sino Gold is relatively straightforward and there is no reason to believe that market participants are materially mis-pricing the effect of the combination of Eldorado and Sino Gold.

The value of the Consideration will vary with movements in the Eldorado share price and the Australian dollar/Canadian dollar exchange rate. The actual value received by Sino Gold shareholders could therefore ultimately be greater or less than \$6.66-7.24 per Sino Gold share.

■ **The Proposal is fair and reasonable.**

The value attributed by Grant Samuel to the Consideration of \$6.66-7.24 per share falls at the very top end of the valuation range for Sino Gold. Accordingly, the Proposal is quite clearly fair and therefore also reasonable. The value of the Consideration will vary with movements in gold price and exchange rates, in particular the Canadian dollar/Australian dollar exchange rate (as well as other factors). However and assuming no material change in either companies operations, the underlying value of Sino Gold should move broadly in line with the value of the Consideration as gold prices and exchange rates move.

Annexure A

Independent Expert's Report

GRANT SAMUEL



Based on the volume weighted average price ("VWAP") for Eldorado shares for various periods prior to the announcement of the Proposals, the Consideration represents a premium to the Sino Gold pre announcement share prices, as follows:

Proposal – Implied Premiums					
Date/Period	Sino Gold VWAP (\$)	Eldorado VWAP (\$)	VWAP Premium	Consideration Range Premium	
				\$6.66	\$7.24
1 day	5.92	13.11	22%	13%	22%
5 days	5.68	13.03	26%	17%	28%
1 month	5.58	12.55	24%	19%	30%
3 months	5.46	11.78	19%	22%	33%

Source: Bloomberg and Grant Samuel analysis
Note: VWAP's from 25 August 2009

The Consideration of \$6.66 to \$7.24 implies a premium to Sino Gold's VWAP before the announcement of the Proposal in the range 13-22% at the lower end and 22-33% at the higher end. Premiums in the case of change of control transactions are typically in the range of 25-40%. The Consideration at \$6.66 is below the lower end of this range, however the Consideration at \$7.24 is within this range.

■ **Merger analysis suggests that the terms of the Proposal are fair.**

An alternative to a conventional takeover approach is to examine the relative contributions of the two groups of shareholders compared to the share of the Combined Group that they will hold if the Proposal is implemented. The following table shows the proportions of reserves, resources, production and EBITDA that the two groups of shareholders will contribute:

Variable	Relative Contributions				
	Sino Gold excl. Eldorado's interest		Eldorado incl. interest in Sino Gold	Sino Gold Contribution	
	Incl. Beyinhar	Excl. Beyinhar		Incl. Beyinhar	Excl. Beyinhar
Reserves at 31 December 2008	3.5	3.1	8.3	30%	27%
Resources at 31 December 2008	5.7	4.7	17.2	25%	21%
Six months ended 30 June 2009					
- Production ('000 ounces)	83.8	83.8	167	33%	33%
- EBITDA (US\$ million)	27.4	27.4	70.3	28%	28%
Sino Gold securityholder interest in Combined Group				25%	25%

The analysis shows that Sino Gold shareholders' share of the Combined Group will be broadly consistent with their collective contribution of reserves, resources, production and EBITDA, particularly if resources and reserves for Sino Gold's Beyinhar gold project are excluded.

The analysis does not take into account the net cash position of Eldorado and the modest attributable net debt position of Sino Gold. It also does not take into account any asset quality differentials in terms of production costs, production growth potential or other factors. In Grant Samuel's view, however, it provides general support for the conclusion that the terms of the Proposal are fair having regard to the interests of Sino Gold shareholders.

GRANT SAMUEL



- **The key risks for Sino Gold shareholders relate to Eldorado's premium rating and the environmental issues affecting Eldorado's Kışladağ gold mine and Efemçukuru gold project in Turkey.**

The key risks of the Proposal for Sino Gold shareholders relate in general to the elevated market ratings of Eldorado shares and in particular to environmental risks in relation to Eldorado's Kışladağ gold mine and Efemçukuru gold project in Turkey.

Eldorado's shares are trading at multiples of reserves, resources, production and earnings that are high relative to its peer group. Eldorado's low production costs and expected strong growth in production suggest that there are good reasons for Eldorado's premium rating, but there is clearly a risk that some change in market perception could result in a re-rating and, potentially, a significant fall in the Eldorado share price.

In particular, Eldorado's Kışladağ gold mine is the subject of litigation in relation to alleged deficiencies in the mine's Environmental Impact Assessment. This litigation caused the suspension of production for six months over 2007 and 2008. The Kışladağ gold mine is by far Eldorado's largest and most valuable asset and any further interruption to production or significant adverse legal finding could materially affect Eldorado's share price. Although Eldorado's management has stated publicly that it believes the matters the subject of the litigation will be successfully defended, litigation is inherently uncertain and there can be no absolute assurance that this situation will be resolved satisfactorily. Eldorado's Efemçukuru gold project in Turkey has also experienced environmental planning issues and Eldorado is yet to acquire all the land and other permits required to commence development of the Efemçukuru gold project.

On one view, Turkish sovereign risk is at least as much of an issue for Eldorado as Chinese sovereign risk is for Sino Gold. Arguably, in relation to Sino Gold's current assets, sovereign risk is not significant, while the environmental permitting issues facing Eldorado in Turkey are a clear manifestation of sovereign risk.

Overall, these issues and risks should be well understood by analysts and investors and should be incorporated within the Eldorado share price. However, Sino Gold shareholders should understand that any extreme manifestation of these risks (such as a further interruption to production from Kışladağ or failure to secure the approvals required to commence development of the Efemçukuru gold project) could have a material adverse effect on the Eldorado share price. The extent of this effect could be exacerbated by a market re-assessment of the premium rating that Eldorado shares currently enjoy.

- **Other benefits and disadvantages of the Proposal are not material.**

Other important factors which Sino Gold shareholders should consider are:

- there appears to be little likelihood that a superior proposal from a third party will be put forward, given Eldorado's existing 19.8% shareholding in Sino Gold and the sale process conducted by Gold Fields to find a buyer for its interest in Sino Gold (which was ultimately acquired by Eldorado);
- in the absence of the Proposal, shareholders would be unlikely in the short term to realise the value delivered by the Proposal (assuming the continuation of current market conditions) through selling their Sino Gold shares in the ordinary course of share market trading;

Annexure A

Independent Expert's Report

GRANT SAMUEL



- the Proposal provides increased diversification for Sino Gold shareholders in terms of both assets and geographic exposure;
 - Grant Samuel's judgement is that sovereign risk has limited impact on the underlying value of Sino Gold's assets. Shareholders of Sino Gold who believe that Chinese sovereign risk is a significant issue that materially affects the value of Sino Gold and its assets would presumably take a less positive view than Grant Samuel on the overall value of Sino Gold, which would tend to reinforce the conclusion that the Proposal is in shareholders' best interests. (On the other hand, Sino Gold shareholders should understand that Eldorado's operations may also be exposed to the impact of sovereign risk); and
 - with an approximate 25% interest in the Combined Group, Sino Gold securityholders will retain some exposure to any potential upside in Sino Gold's assets.
- **The Option Proposal is in the best interests of Sino Gold optionholders.**

Under the Option Proposal, all Sino Gold options on issue will be cancelled pursuant to a separate option scheme of arrangement. Holders of options will be offered Eldorado CDI's or shares of value equal to the assessed value of their options. The value is determined differently for options that are in-the-money (i.e. their exercise price is lower than the Consideration), with out-of-the-money options (i.e. their exercise price is equal to or lower than the Consideration).

The value of in-the-money options will be determined on the basis of their intrinsic value: that is, the difference between the value of the Consideration and their exercise price. Grant Samuel has concluded that the Proposal is fair and reasonable to, and in the best interests of, shareholders. Given that holders of in-the-money options are being treated on similar terms, it follows that the Option Proposal in respect of these optionholders is fair and reasonable and in their best interests.

The approach used to determine the value of out-of-the-money Sino Gold options is to use the Black-Scholes methodology, using as inputs to the Black-Scholes model the Consideration value and volatility reflective of continuing trading (44.7%). Whilst this approach may not be theoretically "correct", in Grant Samuel's view it represents a generous basis for dealing with holders of options that are out of the money. In Grant Samuel's view, this approach to dealing with out-of-the-money options is fair and reasonable and in the best interests of holders of those options.

Overall, Grant Samuel has concluded that the Option Proposal is fair and reasonable and accordingly is in the best interests of optionholders.

4 Other Matters

This report is general financial product advice only and has been prepared without taking into account the objectives, financial situation or needs of individual shareholders or optionholders in Sino Gold. Because of that, before acting in relation to their investment, shareholders and optionholders should consider the appropriateness of the advice having regard to their own objectives, financial situation or needs. Shareholders should read the Scheme Booklet issued by Sino Gold in relation to the Proposal.

Voting for or against the Proposals is a matter for individual shareholders and holders of options, based on their own views as to value and future market conditions and their particular circumstances including risk profile. Securityholders who are in doubt as to the action they should take should consult their own professional adviser.

Similarly, it is a matter for individual shareholders as to whether to continue to hold Eldorado shares received under the Proposals. This is an investment decision independent of a decision on whether to vote in favour of the Proposals, and Grant Samuel offers no advice to Sino Gold shareholders in relation to their decision as to whether to continue holding Eldorado shares received under the Proposals.

Grant Samuel has prepared a Financial Services Guide as required by the Corporations Act, 2001. The Financial Services Guide is included at the beginning of this summary.

GRANT SAMUEL



The opinion is made as at the date of this letter and reflects circumstances and conditions as at that date.

Yours faithfully

GRANT SAMUEL & ASSOCIATES PTY LIMITED

Grant Samuel & Associates

Annexure A

Independent Expert's Report

**Financial Services Guide
and
Independent Expert's Report in relation to
Eldorado Gold Corporation's proposed
acquisition of
Sino Gold Mining Limited**

Grant Samuel & Associates Pty Limited
(ABN 28 050 036 372)

9 October 2009

GRANT SAMUEL



GRANT SAMUEL & ASSOCIATES

LEVEL 6

1 COLLINS STREET MELBOURNE VIC 3000

T: +61 3 9949 8800 / F: +61 3 99949 8838

www.grantsamuel.com.au

Financial Services Guide

Grant Samuel & Associates Pty Limited ("Grant Samuel") holds Australian Financial Services Licence No. 240985 authorising it to provide financial product advice on securities and interests in managed investments schemes to wholesale and retail clients.

The Corporations Act, 2001 requires Grant Samuel to provide this Financial Services Guide ("FSG") in connection with its provision of an independent valuation report ("Report") which is included in a document ("Disclosure Document") provided to members and optionholders by the company or other entity ("Entity") for which Grant Samuel prepares the Report.

Grant Samuel does not accept instructions from retail clients. Grant Samuel provides no financial services directly to retail clients and receives no remuneration from retail clients for financial services. Grant Samuel does not provide any personal retail financial product advice to retail investors nor does it provide market-related advice to retail investors.

When providing Reports, Grant Samuel's client is the Entity to which it provides the Report. Grant Samuel receives its remuneration from the Entity. In respect of the Report for Sino Gold Mining Limited ("Sino Gold") in relation to the proposed acquisition by Eldorado Gold Corporation of all the outstanding shares of Sino Gold ("Report"), Grant Samuel will receive a fixed fee of \$525,000 plus reimbursement of out-of-pocket expenses for the preparation of the Report (as stated in Section 10.3 of the Sino Gold Report).

No related body corporate of Grant Samuel, or any of the directors or employees of Grant Samuel or of any of those related bodies or any associate receives any remuneration or other benefit attributable to the preparation and provision of the Report.

Grant Samuel is required to be independent of the Entity in order to provide a Report. The guidelines for independence in the preparation of Reports are set out in Regulatory Guide 112 issued by the Australian Securities & Investments Commission on 30 October 2007. The following information in relation to the independence of Grant Samuel is stated in Section 10.3 of the Sino Gold Report:

"Grant Samuel and its related entities do not have at the date of this report, and have not had within the previous two years, any shareholding in or other relationship with Sino Gold or Eldorado that could reasonably be regarded as capable of affecting its ability to provide an unbiased opinion in relation to the Proposals.

Grant Samuel had no part in the formulation of the Proposals. Its only role has been the preparation of this report.

Grant Samuel will receive a fixed fee of \$525,000 for the preparation of this report. This fee is not contingent on the outcome of the Proposals. Grant Samuel's out-of-pocket expenses in relation to the preparation of the report will be reimbursed. Grant Samuel will receive no other benefit for the preparation of this report.

Grant Samuel considers itself to be independent in terms of Regulatory Guide 112 issued by the ASIC on 30 October 2007."

Grant Samuel has internal complaints-handling mechanisms and is a member of the Financial Ombudsman Service, No. 11929.

Grant Samuel is only responsible for the Report and this FSG. Complaints or questions about the Disclosure Document should not be directed to Grant Samuel which is not responsible for that document. Grant Samuel will not respond in any way that might involve any provision of financial product advice to any retail investor.

Annexure A

Independent Expert's Report

GRANT SAMUEL



Table of Contents

1	Terms of the Proposals.....	1
2	Scope of the Report.....	3
3	Profile of Sino Gold	9
3.1	Background.....	9
3.2	Financial Performance.....	12
3.3	Financial Position	14
3.4	Cash Flow.....	16
3.5	Taxation Position.....	17
3.6	Capital Structure and Ownership.....	17
3.7	Share Price Performance.....	19
4	Profile of Sino Gold's Assets.....	23
4.1	Jinfeng.....	23
4.2	White Mountain.....	27
4.3	Eastern Dragon.....	31
4.4	Beyinhar	33
4.5	Regional Exploration	34
5	Overview of Eldorado	36
5.1	Background.....	36
5.2	Financial Performance.....	38
5.3	Financial Position	41
5.4	Cash Flow.....	42
5.5	Capital Structure and Ownership.....	42
5.6	Share Price Performance.....	44
5.7	Assets	46
6	Profile of the Combined Group.....	57
7	Valuation of Sino Gold.....	60
7.1	Summary	60
7.2	Valuation Approach	62
7.3	Jinfeng	66
7.4	White Mountain.....	68
7.5	Eastern Dragon.....	71
7.6	Exploration	74
7.7	Corporate Costs.....	75
7.8	Net Receivables.....	75
7.9	Borrowings and Cash.....	75
8	Valuation of the Consideration.....	77
9	Evaluation of the Proposals	86
10	Qualifications, Declarations and Consents	92
Appendices		
1.	Eldorado Broker Forecasts	
2.	Comparable Listed Companies	
3.	Valuation Concepts for Gold Projects	
4.	Report by Mining One Pty Ltd	

THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY

Annexure A

Independent Expert's Report

GRANT SAMUEL



1 Terms of the Proposals

On 4 June 2009, Eldorado Gold Corporation ("Eldorado") announced an agreement to acquire a substantial shareholding in Sino Gold Mining Limited ("Sino Gold") from Gold Fields Limited ("Gold Fields") in a private transaction in exchange for Eldorado shares ("Transaction").

Under the Transaction, Eldorado acquired 57,968,029 Sino Gold shares representing 19.8% of Sino Gold's then total shares on issue, in exchange for the issue to Gold Fields of 27,824,654 Eldorado shares. The number of Eldorado shares was determined based on an exchange ratio of 0.48 Eldorado shares for each Sino Gold share. The Transaction was completed on 27 July 2009. Gold Fields has a top-up right for a period of 18 months if Eldorado acquires an additional 5% or more of the outstanding shares in Sino Gold and pays a consideration equivalent to a share consideration ratio in excess of the share exchange ratio received by Gold Fields.

On 26 August 2009, Sino Gold and Eldorado announced that they had entered into a Scheme Implementation Deed under which Eldorado proposes to acquire all the shares in Sino Gold it does not already own ("Proposal"). The Proposal is to be effected via a share scheme of arrangement under which the outstanding Sino Gold shares will be transferred to a wholly owned subsidiary of Eldorado (the "Share Scheme"). In addition, Eldorado has made a proposal to all Sino Gold optionholders ("Option Proposal") whereby all Sino Gold options on issue will be cancelled under an option scheme in exchange for Eldorado shares (the "Option Scheme"). The Proposal and Option Proposal are referred to collectively as the Proposals.

As consideration under the Proposal, Eldorado is offering Sino Gold shareholders 0.55 Eldorado shares for each Sino Gold share ("Consideration"). Based on the closing price of Eldorado shares on the Toronto Stock Exchange ("TSX") of C\$11.96 and the Australian dollar/Canadian dollar exchange rate of 0.9081 on 25 August 2009, the Transaction values Sino Gold at approximately A\$2.2 billion (C\$2.0 billion). If the Proposals are implemented, Sino Gold securityholders (excluding Eldorado) will collectively hold approximately 25% of the merged Eldorado business.

As part of the Proposals, Eldorado has undertaken to seek a secondary listing of Chess Depository Interests ("CDIs") representing Eldorado shares on the Australian Securities Exchange ("ASX"). Each Eldorado CDI will represent a beneficial interest in one Eldorado share and will have rights that are economically equivalent to the rights attaching to Eldorado shares. A holder of Eldorado CDIs will not be a registered shareholder in Eldorado and any voting preferences will need to be directed to CDN, a subsidiary of ASX, to vote in accordance with the Eldorado CDI holder's directions. Sino Gold shareholders can elect to receive either Eldorado CDIs or new Eldorado shares listed on the TSX and on the New York Stock Exchange ("NYSE"). If Eldorado does not obtain a listing for its CDIs on the ASX, Sino Gold shareholders will receive new Eldorado shares listed on the TSX and NYSE.

The Proposals are subject to a number of conditions precedent, including:

- confirmatory due diligence by both Eldorado and Sino Gold;
- Sino Gold shareholder approval and Court approval; and
- regulatory approval from TSX, NYSE Amex, ASX, the Australian Securities & Investments Commission ("ASIC") and the Australian Foreign Investment Review Board ("FIRB").

Other material terms of the Proposals include:

- Eldorado will provide a brokerage free sale facility to Sino Gold securityholders who are entitled to receive 55,000 or fewer Eldorado shares under the Proposals and who elect to participate in the sale facility. Ineligible foreign securityholders will not receive shares under the Proposals. Instead, the shares that they would otherwise have received will be sold through the sale facility. Participating retail securityholders and ineligible foreign securityholders will receive a pro rata share of the net proceeds converted into Australian dollars from the sale of all Eldorado shares through the sale facility;

G R A N T S A M U E L



- Sino Gold will not solicit a competing proposal or respond to any competing proposals prior to 31 March 2010 or the date of termination of the Scheme Implementation Deed (subject to customary exceptions for the no-talk provision);
- Sino Gold will not agree to undertake a competing transaction and the Sino Gold directors will not change their recommendations unless Eldorado has been given five days to make a matching or superior proposal; and
- Eldorado will invite two existing Sino Gold directors to join the Board of Eldorado.

The Scheme Implementation Deed may be terminated if:

- a condition precedent is not achieved and is not waived;
- a material adverse change or prescribed event occurs;
- there is a change, withdrawal or modification of the recommendation of the directors of Sino Gold;
- Sino Gold or Eldorado breach certain representations and warranties; and
- there is a breach of certain of the provisions of the Scheme Implementation Deed by either party.

A break fee of \$21 million¹ may be payable by either party if certain termination events are triggered.

The Sino Gold Directors unanimously recommend that Sino Gold securityholders vote in favour of the Proposals, and each Director intends to vote all of the Sino Gold shares and options they own or control at the date of the scheme meeting in favour of the Proposals, in the absence of superior proposal and subject to an independent expert concluding that the Proposals are in the best interests of Sino Gold securityholders.

On 14 September 2009, Eldorado and Sino Gold announced that the due diligence condition had been satisfied. In addition, Eldorado has invited James Askew, the non executive Chairman of Sino Gold, and Peter Cassidy, a non executive director of Sino Gold, to join the board of Eldorado. On 29 September 2009, FIRB approved the merger of Sino Gold and Eldorado.

¹ \$ refers to Australian dollars unless otherwise notified.

Annexure A

Independent Expert's Report

G R A N T S A M U E L



2 Scope of the Report

2.1 Purpose of the Report

The Proposals are subject to the approval of Sino Gold's shareholders in accordance with Section 411 of the Corporations Act, 2001. The Option Proposal is subject to the approval of Sino Gold optionholders. Under Section 411 the Proposal must be approved by a majority in number (i.e. at least 50%) of each class of shareholders present and voting (either in person or by proxy) at the meeting, representing at least 75% of the total votes cast on the resolution. The Option Proposal must be approved by a majority in number (i.e. at least 50%) of each class of optionholders present and voting (either in person or by proxy) at the meeting, representing at least 75% of the total value of each class of optionholders (the 'value' of an option will be determined by reference to the Option Scheme consideration payable on the cancellation of the option). If approved by Sino Gold securityholders, the Proposals will then be subject to approval by the Court.

Part 3 of Schedule 8 to the Corporations Regulations prescribes the information to be sent to shareholders in relation to schemes of arrangement pursuant to Section 411. Part 3 of Schedule 8 requires an independent expert's report in relation to a scheme of arrangement to be prepared when a party to a scheme of arrangement has a prescribed shareholding in the company subject to the scheme, or where any of its directors are also directors of the company subject to the scheme. In those circumstances, the independent expert's report must state whether the scheme of arrangement is in the best interests of shareholders subject to the scheme and must state reasons for that opinion.

Although there is no requirement in the present circumstances for an independent expert's report pursuant to the Corporations Act or the ASX Listing Rules, the directors of Sino Gold have engaged Grant Samuel & Associates Pty Limited ("Grant Samuel") to prepare an independent expert's report setting out whether, in its opinion:

- the Proposal is in the best interests of Sino Gold shareholders; and
- the Option Proposal is in the best interests of Sino Gold optionholders.

In addition, the report is to state reasons for these opinions. A copy of the report will accompany the Notice of Meeting and Scheme Booklet ("the Scheme Booklet") to be sent to securityholders by Sino Gold.

This report is general financial product advice only and has been prepared without taking into account the objectives, financial situation or needs of individual Sino Gold shareholders. Accordingly, before acting in relation to their investment, shareholders and holders of options should consider the appropriateness of the advice having regard to their own objectives, financial situation or needs. Securityholders should read the Scheme Booklet issued by Sino Gold in relation to the Proposals.

Voting for or against the Proposals is a matter for individual securityholders based on their views as to value, their expectations about future market conditions and their particular circumstances including risk profile, liquidity preference, investment strategy, portfolio structure and tax position. Securityholders who are in doubt as to the action they should take in relation to the Proposals should consult their own professional adviser.

Similarly, it is a matter for individual securityholders as to whether to buy, hold or sell shares in Sino Gold, Eldorado or the merged entity. This is an investment decision independent of a decision to vote for or against the Proposal or the Option Proposal. Grant Samuel does not offer an opinion on these investment decisions. Securityholders should consult their own professional adviser in this regard.

GRANT SAMUEL



2.2 Basis of Evaluation

Schemes of arrangement pursuant to Section 411 can encompass a wide range of transactions. Accordingly, “in the best interests” must be capable of a broad interpretation to meet the particular circumstances of each transaction. However, there is no legal definition of the expression “in the best interests”.

ASIC has issued Regulatory Guide 111 which establishes guidelines in respect of independent expert’s reports. ASIC Regulatory Guide 111 differentiates between the analysis required for control transactions and other transactions. In the context of control transactions (whether by takeover bid, by scheme of arrangement, by the issue of securities or by selective capital reduction or buyback), it comments on the meaning of “fair and reasonable” and continues earlier regulatory guidelines that created a distinction between “fair” and “reasonable”. A proposal that, under takeover analysis, was “fair and reasonable” or “not fair but reasonable” would be in the best interests of shareholders. For most other transactions the expert is to weigh up the advantages and disadvantages of the proposal for shareholders. This involves a judgement on the part of the expert as to the overall commercial effect of the transaction, the circumstances that have led to the proposal and the alternatives available. The expert must weigh up the advantages and disadvantages of the proposal and form an overall view as to whether the shareholders are likely to be better off if the proposal is implemented than if it is not.

The Proposals involve an increase in the level of control of Eldorado over Sino Gold. Accordingly, Grant Samuel has evaluated the Proposals as control transactions and considered whether the Proposal are “fair and reasonable”.

The term “fair and reasonable” has no legal definition although over time a commonly accepted interpretation has evolved. In the context of a takeover, an offer is considered fair and reasonable if the price fully reflects the value of a company’s underlying businesses and assets. ASIC Regulatory Guide 111 continues earlier regulatory guidelines that create a distinction between “fair” and “reasonable”. Fairness is said to involve a comparison of the offer price with the value that may be attributed to the securities that are the subject of the offer based on the value of the underlying businesses and assets. In determining fairness any existing entitlement to shares by the offeror is to be ignored. Reasonableness is said to involve an analysis of other factors that shareholders might consider prior to accepting a takeover offer such as:

- the offeror’s existing shareholding;
- other significant shareholdings;
- the probability of an alternative offer; and
- the liquidity of the market for the target company’s shares.

A takeover offer could be considered “reasonable” if there were valid reasons to accept the offer notwithstanding that it was not “fair”.

Fairness is a more demanding criteria. A “fair” offer will always be “reasonable” but a “reasonable” offer will not necessarily be “fair”. A fair offer is one that reflects the full market value of a company’s businesses and assets. A takeover offer that is in excess of the pre-bid market prices but less than full value will not be fair but may be reasonable if shareholders are otherwise unlikely in the foreseeable future to realise an amount for their shares in excess of the bid price. This is commonly the case in takeover offers where the bidder already controls the target company. In that situation the minority shareholders have little prospect of receiving full value from a third party offeror unless the controlling shareholder is prepared to sell its controlling shareholding.

Grant Samuel has determined whether the Proposals are fair by comparing the estimated underlying value range of Sino Gold with the value of the Consideration offered by Eldorado. The Proposal will be fair if the value of the Consideration falls within or is greater than the estimated

Annexure A

Independent Expert's Report

G R A N T S A M U E L



underlying value range. In considering whether the Proposal is reasonable, the factors that have been considered include:

- the existing shareholding structure of Sino Gold;
- the likelihood of an alternative offer and alternative transactions that could realise fair value;
- the likely market price and liquidity of Sino Gold shares in the absence of the Proposals; and
- other advantages and disadvantages for Sino Gold shareholders of approving the Proposals.

A proposal that, under takeover analysis, was “fair and reasonable” or “not fair but reasonable” would be in the best interests of shareholders.

2.3 Sources of the Information

The following information was utilised and relied upon, without independent verification, in preparing this report:

Publicly Available Information

- the Scheme Booklet (including earlier drafts);
- annual reports of Sino Gold and Eldorado for the 4 years ended 31 December 2008;
- half year financial accounts of Sino Gold and Eldorado for the six months ended 30 June 2009;
- quarterly reports of Sino Gold and Eldorado for the two years ending 30 June 2009;
- press releases, public announcements, media and analyst presentation material and other public filings by Sino Gold and Eldorado including information available on their respective websites;
- brokers' reports and recent press articles on Sino Gold and Eldorado and the gold industry; and
- sharemarket data and related information on Australian and international listed companies engaged in the gold industry and on acquisitions of companies and businesses in this industry.

Non Public Information provided by Sino Gold

- monthly management reports for Sino Gold operations for the year ended 30 June 2009;
- forecasts for the year ending 31 December 2009 prepared by Sino Gold management;
- life of mine plans for Sino Gold's Jinfeng, White Mountain and Eastern Dragon assets;
- Board Feasibility Review for the Beyinhar gold project; and
- other confidential documents, board papers, presentations and working papers.

In preparing this report, representatives of Grant Samuel visited the Jinfeng and White Mountain operations in China. Grant Samuel has also held discussions with, and obtained information from, senior management of Sino Gold and its advisers.

Grant Samuel was not given access to non public information (including financial and operational information) for Eldorado and no discussions were held with the senior management of Eldorado or its advisers.

GRANT SAMUEL



2.4 Limitations and Reliance on Information

Grant Samuel believes that its opinion must be considered as a whole and that selecting portions of the analysis or factors considered by it, without considering all factors and analyses together, could create a misleading view of the process underlying the opinion. The preparation of an opinion is a complex process and is not necessarily susceptible to partial analysis or summary.

Grant Samuel's opinion is based on economic, sharemarket, business trading, financial and other conditions and expectations prevailing at the date of this report. These conditions can change significantly over relatively short periods of time. If they did change materially, subsequent to the date of this report, the opinion could be different in these changed circumstances.

This report is also based upon financial and other information provided by Sino Gold and its advisers. Subject to having made what it considers to be appropriate inquiries for the purposes of forming its opinion, Grant Samuel has considered and relied upon this information. Sino Gold has represented in writing to Grant Samuel that to its knowledge the information provided by it was complete and not incorrect or misleading in any material aspect (subject to any corrections that have been provided to Grant Samuel and subject to the fact that forecasts, budgets and other forward looking statements are inherently uncertain and cannot be guaranteed or otherwise warranted by Sino Gold). Grant Samuel has no reason to believe that any material facts have been withheld.

The information provided to Grant Samuel has been evaluated through analysis, inquiry and review to the extent that it considers necessary or appropriate for the purposes of forming an opinion as to whether the Proposals are in the best interests of Sino Gold securityholders. However, Grant Samuel does not warrant that its inquiries have identified or verified all of the matters that an audit, extensive examination or "due diligence" investigation might disclose. While Grant Samuel has made what it considers to be appropriate inquiries for the purposes of forming its opinion, "due diligence" of the type undertaken by companies and their advisers in relation to, for example, prospectuses or profit forecasts, is beyond the scope of an independent expert. In this context, Grant Samuel advises that:

- it is not in a position nor is it practicable to undertake its own "due diligence" investigation of the type undertaken by accountants, lawyers or other advisers; and
- it has therefore relied on:
 - the fact that Sino Gold has confirmed to Grant Samuel that the directors of Sino Gold are satisfied with the results of the due diligence process that has been undertaken by it and its advisers; and
 - the contents of the public reports (specifically the opinions expressed therein) such as the Investigating Accountant's Report prepared by KPMG Transaction Services (Australia) Pty Limited.

Accordingly, this report and the opinions expressed in it should be considered more in the nature of an overall review of the anticipated commercial and financial implications rather than a comprehensive audit or investigation of detailed matters.

An important part of the information used in forming an opinion of the kind expressed in this report is comprised of the opinions and judgement of management. This type of information was also evaluated through analysis, inquiry and review to the extent practical. However, such information is often not capable of external verification or validation.

Preparation of this report does not imply that Grant Samuel has audited in any way the management accounts or other records of Sino Gold or Eldorado. It is understood that the accounting information that was provided was prepared in accordance with generally accepted accounting principles and in a manner consistent with the method of accounting in previous years (except where noted).

Annexure A

Independent Expert's Report

GRANT SAMUEL



Mining One Pty Ltd ("Mining One") was appointed to provide specialist technical advice to Grant Samuel and to prepare a specialist's technical assessment report in relation to Sino Gold's mining operations and exploration interests. Mining One's review included a review of the reserves, development plans, production schedules, operating costs, capital costs, potential reserve extensions and exploration activities. Mining One also prepared valuations of Sino Gold's exploration interests. The report prepared by Mining One is attached to and forms part of this report.

The information provided to Grant Samuel and Mining One included mine development plans, forecasts and feasibility studies for Sino Gold's key assets. Sino Gold is responsible for the information contained in the mine development plans, forecasts and feasibility studies ("the forward looking information"). Grant Samuel and Mining One have considered and, to the extent deemed appropriate, relied on this information for the purpose of their analysis.

On the basis of the information provided to Grant Samuel and Mining One, and the review conducted by Grant Samuel and Mining One of such information, Grant Samuel and Mining One have concluded that the forward looking information was prepared appropriately and accurately based on the information available to management at the time and within the practical constraints and limitations of such forward looking information. Grant Samuel and Mining One have concluded that the forward looking information does not reflect any material bias, either positive or negative. Grant Samuel has no reason to believe otherwise. However, the achievability of the forward looking information is not warranted or guaranteed by Grant Samuel. Future profits and cash flows are inherently uncertain. They are predictions by management of future events that cannot be assured and are not necessarily based on assumptions, many of which are beyond the control of the company or its management. Actual results may be significantly more or less favourable. Moreover, the forward looking information provided by Sino Gold was not originally generated for, and may not be appropriate in the context of, a valuation of the gold assets of Sino Gold.

Accordingly, Mining One conducted a detailed review of the significant assumptions and technical factors underlying the forward looking information provided by Sino Gold to Mining One and Grant Samuel. This review included a review of the basis on which Resources and Reserves have been estimated, a review of likely future operating and capital costs, a review of likely future gold recovery rates, a review of the potential for the conversion of Resources to Reserves and the potential to mine mineralisation not currently in reserves, a review of environmental factors and such other reviews as Mining One deemed appropriate. Having regard to these reviews, Mining One made independent judgements regarding the technical assumptions that can reasonably be adopted for the purposes of the valuation of the gold assets of Sino Gold ("technical valuation assumptions").

As part of its analysis, Grant Samuel has developed cash flow models on the basis of the technical valuation assumptions deemed appropriate by Mining One. Grant Samuel has reviewed the sensitivity of cash flow models to changes in key variables. The sensitivity analysis isolates a limited number of assumptions which are inputs to the cash flow model and shows the impact of the expressed variations occurring. Actual variations may be greater or less than those modelled. In addition to not representing best and worst case outcomes, the sensitivity analysis does not, and does not purport to, show all the possible variations to the business model.

The actual performance of the business may be negatively or positively impacted by a range of factors including, but not limited to:

- changes to the assumptions other than those considered in the sensitivity analysis;
- variations to the assumptions greater or less than those considered in the sensitivity analysis; and
- combinations of different variations to a number of different assumptions that may produce outcomes different to the combinations modelled.

G R A N T S A M U E L



In preparing this report, Grant Samuel has also assumed that:

- matters such as title, compliance with laws and regulations and contracts in place are in good standing and will remain so and that there are no material legal proceedings, other than as publicly disclosed;
- the information set out in the Scheme Booklet sent by Sino Gold to its securityholders is complete, accurate and fairly presented in all material respects;
- the publicly available information relied on by Grant Samuel in its analysis was accurate and not misleading;
- the Proposals will be implemented in accordance with their terms; and
- the legal mechanisms to implement the Proposals are correct and will be effective.

To the extent that there are legal issues relating to assets, properties, or business interests or issues relating to compliance with applicable laws, regulations, and policies, Grant Samuel assumes no responsibility and offers no legal opinion or interpretation on any issue.

Annexure A

Independent Expert's Report

G R A N T S A M U E L



3 Profile of Sino Gold

3.1 Background

Sino Mining International Limited divested its gold interests to Sino Gold in 2000 and in December 2002 Sino Gold listed on the ASX. At that time, Sino Gold's key assets were an 86.2% interest in the Jianchaling Gold Mine and an 85% interest in the Jinfeng Project, along with other exploration interests. Sino Gold had total attributable resources of 2.3 million ounces of contained gold as at 25 June 2002.

Key events since then have included:

Key Events	
Jun 2003	Acquired 65% interest in 97km ² exploration licence adjacent to Jinfeng for US\$0.72 million payable over 5 years and an expenditure commitment of US\$2 million, plus a right to increase its interest to 92.5% for additional payment after completion of a feasibility study
Jul 2003	Acquired 80% interest in White Mountain for US\$0.8 million and a US\$0.8 million exploration commitment, payable over 3 years plus a right to increase its interest to 95%
Jan 2005	Commenced development of Jinfeng
Jul 2006	Exercised an option to acquire an additional 15% interest in White Mountain, increasing Sino Gold's holding to 95%
Aug 2006	Board approved US\$20 million underground development at Jinfeng
Sept 2006	Announced new joint venture in the Golden Triangle region near Jinfeng with the Guangxi Institute of Regional Geology Survey
Sept 2006	Divested Jianchaling Gold Mine for RMB12 million, RMB5 million payable in cash and RMB7 million in assets transferred from Jianchaling to Jinfeng
Nov 2006	Entered strategic exploration alliance with Gold Fields which resulted in Gold Fields' interests in Sino Gold increasing to 17.4%
Jan 2007	Changed name from Sino Gold Limited to Sino Gold Mining Limited
Mar 2007	Listed on the Hong Kong Stock Exchange ("HKSE")
Aug 2007	Approved US\$55 million development of White Mountain
	Announced takeover of Golden China Resources Corporation for \$81 million payable in 1 Sino Gold share per 4.5 Golden China Resources Corporation shares. Golden China Resources Corporation assets included the Beyinhar resource in Inner Mongolia, the Nibao resource in Guizhou Province and a 99.5% interest in the BioGold processing facility in Suandong Province
Sept 2007	Commenced production at Jinfeng
Dec 2007	Acquired a 72% interest in Eastern Dragon Lode 5 for US\$90 million and a right to acquire an 80% interest in the surrounding exploration licence area
May 2008	Announced a \$204 million capital raising via a placement to Gold Fields and pro-rata entitlement offer which increased Gold Fields' interest in Sino Gold to 19.9%, to fund the close out of Sino Gold's hedge book
Jan 2009	Commenced production at White Mountain
Feb 2009	Divested the BioGold processing facility for RMB10 million
Mar 2009	Acquired an additional 15% interest in Eastern Dragon Lode 5 project for US\$20 million plus additional 35% interest in surrounding exploration licence for US\$11 million
Apr 2009	Approved the US\$65 million development of Eastern Dragon
Jun 2009	Eldorado acquired Gold Fields' 19.8% interest in Sino Gold in exchange for Eldorado shares to the value of approximately US\$282 million
Aug 2009	Acquired an option to acquire a 70% interest in the Caijiagou gold project for US\$7.9 million and a further 25% interest for US\$4.4 million for an initial payment of US\$0.3 million

Source: Sino Gold

GRANT SAMUEL

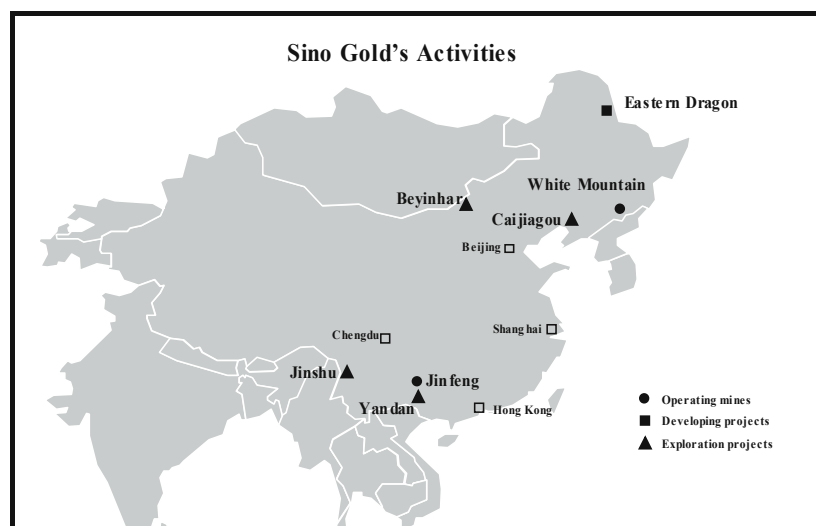


Sino Gold is now one of Australia's leading listed gold companies, with a strategic focus on gold mining in China. Sino Gold's business activities now comprise:

Sino Gold Key Assets ²					
Asset/Project	Interest	Status	As at 31 Dec 08		Production ³
			Resources (Moz)	Reserves (Moz)	30 June 09 ('000 oz)
Jinfeng	82%	Producing	4.1	2.6	68.7
White Mountain	95%	Producing	1.1	0.8	19.7
Eastern Dragon	95%	Development	0.7	0.5	-
Beyinhar	95%	Exploration	1.2	0.5	-
Other	-	Exploration	-	-	-
Total Assets			7.1	4.4	88.4

Source: Sino Gold

Sino Gold's activities are located in northern and southern China as illustrated on the following map:



Source: Sino Gold

China is now the world's largest gold producer, surpassing South Africa. In 2007, Chinese gold production increased by 12% to 9.7 million ounces. China's oldest and largest gold producer is the China National Gold Group Corporation which accounts for approximately 20% of total gold production in China and controls more than 30% of domestic reserves.

Sino Gold's position as one of the leading gold producers in China is due to the recent development of the Jinfeng and White Mountain operations. Sino Gold has announced that it expects to produce between 210,000 and 230,000 ounces of gold in 2009, a significant increase on production in 2006:

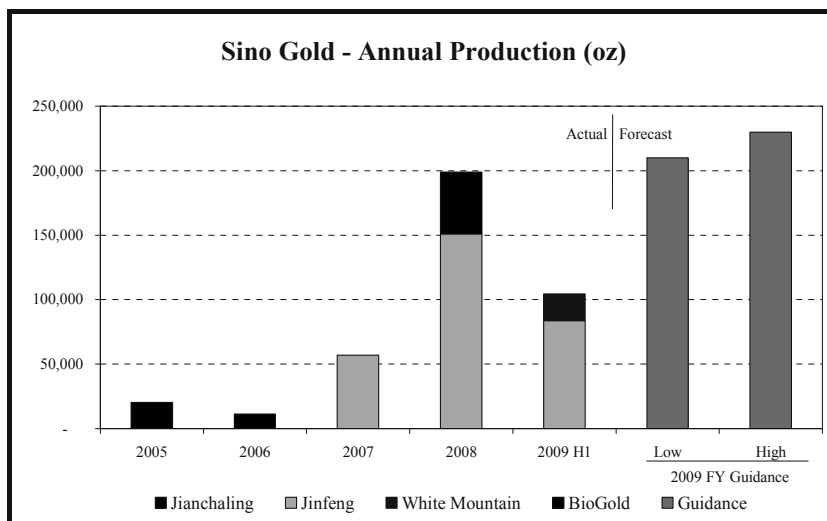
² Reserves, resources and production represent Sino Gold's attributable share.

³ Production for the 6 months ended 30 June 2009.

Annexure A

Independent Expert's Report

GRANT SAMUEL



Source: Sino Gold

Note: Production from BioGold includes equivalent gold production calculated by dividing gold, silver and base metal revenue by the gold price realised for the period.

GRANT SAMUEL



3.2 Financial Performance

The financial performance of Sino Gold for the four years ended 31 December 2009 and the six months ended 30 June 2009 is summarised below:

Sino Gold - Financial Performance ⁴ (\$ millions)					
	Year ended 31 December				6 mths ended 30 Jun 09 actual
	2005 actual	2006 actual	2007 actual	2008 actual	
Production ('000 ounces)	20.4	11.3	57.0	199.0	104.5
Sales volumes ('000 ounces)	20.6	11.9	43.5	201.0	108.7
Sales revenue	11.0	8.7	33.6	206.1	139.9
Other revenue	0.5	3.4	1.6	10.7	5.5
Total revenue	11.5	12.1	35.2	216.7	145.3
Operating costs	(13.0)	(9.8)	(27.3)	(136.3)	(69.6)
Corporate costs	(3.9)	(4.9)	(4.9)	(3.7)	(3.1)
Other costs	(8.4)	(12.7)	(10.3)	(7.6)	(6.2)
EBITDA⁵	(13.7)	(15.3)	(7.3)	69.1	66.3
Depreciation and amortisation	(6.3)	(0.1)	(3.8)	(15.6)	(18.2)
EBIT⁶	(20.0)	(15.4)	(11.0)	53.5	48.1
Net interest expense	(1.5)	(4.7)	(2.9)	(2.8)	(3.0)
Hedging income/(expenses)	-	-	(9.3)	(35.2)	(18.8)
Non-recurring items	(4.7)	-	(1.5)	(100.7)	-
Operating profit before tax	(26.2)	(20.1)	(24.8)	(85.2)	26.3
Income tax expense	-	-	(0.1)	(16.2)	(11.0)
Operating profit after tax	(26.2)	(20.1)	(24.9)	(101.4)	15.3
Outside equity interests	-	-	1.4	(2.4)	(2.7)
Profit after tax attributable to Sino Gold shareholders	(26.2)	(20.1)	(23.5)	(103.8)	12.6
<i>Statistics</i>					
<i>Basic earnings per share (\$ per share)</i>	<i>(20.2)</i>	<i>(13.7)</i>	<i>(14.0)</i>	<i>(37.7)</i>	<i>4.3</i>
<i>Production growth (%)</i>	<i>na⁷</i>	<i>(45)%</i>	<i>404%</i>	<i>254%</i>	<i>nm⁸</i>
<i>Average realised price (US\$/oz)</i>	<i>na</i>	<i>na</i>	<i>\$752</i>	<i>\$876</i>	<i>\$916</i>
<i>Total revenue growth (%)</i>	<i>(44)%</i>	<i>5%</i>	<i>191%</i>	<i>516%</i>	<i>nm</i>
<i>EBITDA margin (%)</i>	<i>(119)%</i>	<i>(127)%</i>	<i>(21)%</i>	<i>32%</i>	<i>46%</i>
<i>EBIT margin (%)</i>	<i>(174)%</i>	<i>(127)%</i>	<i>(31)%</i>	<i>25%</i>	<i>33%</i>

Source: Sino Gold and Grant Samuel analysis

Sino Gold consolidates the joint venture entities that own interests in Jinfeng, White Mountain and Eastern Dragon. Accordingly the financial performance before outside equity interests outlined in the above table represents 100% interest in these projects.

⁴ Sino Gold's financial accounts have been prepared in accordance with Australian International Financial Reporting Standards ("AIFRS").

⁵ EBITDA is earnings before net interest, tax, depreciation and amortisation, and significant and non-recurring items.

⁶ EBIT is earnings before net interest, tax, investment income, and significant and non-recurring items.

⁷ na represents not available.

⁸ nm represents not meaningful.

Annexure A

Independent Expert's Report

GRANT SAMUEL



Sino Gold's historical financial performance, except for the 6 months ended 30 June 2009, does not provide a good basis for assessing the likely future performance of the company, largely because the Jinfeng and White Mountain mines commenced production only relatively recently and the BioGold processing facility was sold in February 2009.

Sales revenue represents the sale of gold at the spot price. Prior to 30 June 2008, Sino Gold was required as part of its Jinfeng debt facility to enter a gold hedging program, typically comprising gold forward sales contracts and put options. Sino Gold now undertakes no gold price or currency hedging. The impact of hedging activities on Sino Gold's historical financial performance has been treated as a non recurring item so that it is not included in the calculation of EBITDA and EBIT. The close out cost of the hedge book of US\$118.6 million was capitalised and will be amortised over the original hedge designation dates estimated at US\$27.5 million in 2010, US\$28.4 million in 2011 and US\$16.1 million in 2012.

Non recurring items over the four and a half years are as follows:

Sino Gold – Non Recurring Items (\$ millions)					
	Year ended 31 December				6 mths ended 30 Jun 09
	2005 actual	2006 actual	2007 actual	2008 actual	
Impairment of property, mine & equipment	(4.7)	-	-	-	-
Deferred exploration costs written off	-	-	(1.5)	(9.1)	-
Impairment of Golden China Resources Corporation	-	-	-	(90.1)	-
Write down of assets for sale	-	-	-	(1.4)	-
Hedging gain/(loss)	-	-	(9.3)	(35.2)	(18.8)
Total non recurring items	(4.7)	-	(10.8)	(135.9)	(18.8)

Source: Sino Gold and Grant Samuel analysis

The impairment of property, mine & equipment in 2005 represents the write down of the Jianchaling mine prior to it being sold. The significant deferred exploration costs written off in 2008 represented write-offs at two exploration joint ventures in Guizhou Province and the cessation of exploration activities in Shandong. The hedging loss in 2008 included \$12.0 million of hedge closure costs not capitalised as well as an annual amortisation charge of \$23.2 million. The \$90.1 million impairment of Golden China Resource Corporation is net of the sale value of the BioGold processing facility.

Sino Gold has announced production guidance for the 2009 full year of 210,000 to 230,000 ounces (combined production from Jinfeng and White Mountain on a 100% basis), at a cash operating cost of less than US\$400 per ounce. This guidance was announced prior to the suspension of production at White Mountain, following a blockade of the mine access road by nearby villagers who claim that the local water has been contaminated by water run-off from the underground mine and are seeking compensation. This dispute has caused a loss of two months production at White Mountain representing approximately 9,000 ounces. It is expected that it will take several months after mining operations restart for White Mountain to achieve its design rate of production of 65,000 ounces per annum. Sino Gold's ability to meet 2009 production guidance is subject to production recommencing at White Mountain before 30 October 2009.

Sino Gold has not paid dividends on Sino Gold shares since incorporation, nor does Sino Gold currently intend to pay dividends.

GRANT SAMUEL



3.3 Financial Position

The financial position of Sino Gold as at 31 December 2008 and 30 June 2009 is summarised below:

Sino Gold - Financial Position ⁹ (\$ millions)		
	As at 31 Dec 2008 actual	As at 30 Jun 2009 actual
Trade and other receivables	5.7	4.6
Inventories	40.4	29.8
Creditors, accruals and provisions	(116.1)	(80.7)
Other current assets/(liabilities)	12.6	16.6
Net working capital	(57.5)	(29.7)
Property, plant and equipment (net)	582.8	517.4
Deferred exploration, evaluation & development costs	358.5	303.8
Derivatives and other financial assets	(1.8)	(1.8)
Other assets/(liabilities)	(29.3)	(22.1)
Deferred tax assets/(liabilities)	(10.5)	(7.1)
Total funds employed	842.2	760.5
Cash and deposits	70.5	122.5
Restricted cash	160.7	61.6
Borrowings	(253.1)	(219.7)
Net borrowings	(21.9)	(35.6)
Net assets	820.3	724.9
Outside equity interests	(51.2)	(32.3)
Equity attributable to Sino Gold shareholders	769.1	692.6
<i>Statistics</i>		
<i>Net assets per share</i>	2.81	2.48
<i>Gearing¹⁰</i>	2.6%	4.7%

Source: Sino Gold and Grant Samuel analysis

Property, plant and equipment comprises the cost of property, plant and equipment as well as the cost of acquiring mineral rights and capitalised development costs of assets in production, namely Jinfeng and White Mountain. Deferred exploration, evaluation and development costs represent exploration and development costs which are capitalised because they are expected to be recouped through the successful development of the asset. At 30 June 2009, deferred exploration, evaluation and development principally related to the Eastern Dragon project. Once production commences the development costs of an asset are transferred to property, plant and equipment.

Other liabilities include project restoration and rehabilitation provisions. At 30 June 2009, the restoration and rehabilitation provisions relating to Jinfeng and White Mountain were \$28.0 million and \$1.4 million respectively.

⁹ Sino Gold's financial accounts have been prepared in accordance with AIFRS.

¹⁰ Gearing is net borrowings divided by net assets plus net borrowings.

Annexure A

Independent Expert's Report

GRANT SAMUEL



At 30 June 2009, Sino Gold's debt facilities (on a 100% basis) were:

- Jinfeng - a RMB680 million (\$122.6 million) finance facility which is secured against the Jinfeng assets and a pledge of shares representing an 82% interest in Jinfeng owned by Sino Gold, as well as by a corporate guarantee from Sino Gold. The facility incurs a 5% discount on the People's Bank of China ("PBOC") standard rate, adjusted annually, and is repayable in quarterly instalments of RMB34 million (\$6.13 million), with first instalment due 31 March 2011 the last instalment due on 31 December 2015. In addition to the project loan, there is a RMB85 million working capital loan facility which has the same security arrangements as the project loan and is repayable in one instalment due in August 2012. The facilities were drawn to A\$120.3 million at 30 June 2009;
- White Mountain - a construction loan and working capital loan. This facility is secured by a mine life guarantee provided by Sino Gold and a mortgage on the mine's fixed assets. The construction loan has a facility limit of RMB190.1 million (\$34.3 million), term of 5 years, floating interest rates and bullet repayment at the end of the term. The working capital loan has a limit of RMB40.9 million (\$7.4 million), floating interest rates and a term of 12 months, with interest payable bi-annually. Both the construction and working capital loans are currently fully drawn and are currently being renewed, with the repayment of the construction loan being converted from a bullet repayment at the end of the term to an annual instalment schedule through to 2013; and
- Eastern Dragon – a standby letter of credit facility to secure advances made by the bank to the project. The facility was drawn to \$57.7 million at 30 June 2009. The Sino Gold Board has approved, in principle, a project loan of RMB 450 million to be arranged and underwritten by China Merchants Bank. This facility is to be used to replace the existing standby letter of credit facility, for project construction and for working capital purposes.

The Jinfeng facilities and White Mountain construction loan facility have change of control provisions such that the debt provider, China Construction Bank ("Bank"), has a right to demand immediate repayment if the Proposals are implemented. Sino Gold has received verbal assurances from the Bank that the Bank will not demand immediate repayment of the facilities on implementation of the Proposals. However, Sino Gold has not requested, nor has it been granted a written waiver by the Bank of this right.

Restricted cash represents cash held on deposit to secure the RMB working capital loans. On 24 February 2009, Sino Gold refinanced its Jinfeng debt facilities which enabled US\$58 million of restricted cash to be released. The remaining restricted cash at 30 June 2009 of \$61.6 million relates to cash held as security against the Eastern Dragon facility.

GRANT SAMUEL



3.4 Cash Flow

Sino Gold's cash flow for the four years ended 31 December 2008 and six months ended 30 June 2009 is summarised below:

Sino Gold - Cash Flow ¹¹ (\$ millions)					
	Year ended 31 December				6 mths ended 30 Jun 09 actual
	2005 actual	2006 actual	2007 actual	2008 actual	
EBITDA	(13.7)	(15.3)	(7.3)	69.1	66.3
Non recurring items	-	-	(9.3)	(126.8)	5.8
Tax expense	-	-	(0.1)	(16.2)	(11.0)
Net interest expense	(1.5)	(4.7)	(2.9)	(2.8)	(3.0)
Add back non cash items	8.4	8.7	9.0	123.8	23.0
Change in working capital	7.6	3.1	(1.0)	14.6	(53.0)
Net cash flow from operations	0.8	(8.2)	(11.7)	61.7	28.1
Net payment for property, plant and equipment	-	(0.1)	(44.8)	(123.6)	(42.2)
Net exploration, evaluation and development	(57.7)	(117.9)	(58.7)	(55.6)	(14.9)
Net investments	-	-	(56.9)	(66.3)	4.8
Net cash flows from investing	(57.7)	(118.0)	(160.4)	(245.5)	(52.3)
Proceeds from issue of convertible notes	45.9	-	-	-	-
New equity (net of costs)	2.6	61.5	225.0	307.0	1.5
Proceeds/(repayment) of bank loans	-	60.6	51.6	72.4	(11.4)
Hedge book closure costs	-	-	(9.3)	(135.6)	-
Other financing activities	(2.5)	0.4	1.2	0.3	-
Net cash flow from financing	46.0	122.5	268.5	244.1	(9.8)
Net cash generated (used)	(10.9)	(3.6)	96.5	60.3	(34.1)
<i>Net cash (including restricted cash) – opening</i>	<i>35.7</i>	<i>28.8</i>	<i>21.5</i>	<i>109.0</i>	<i>231.2</i>
<i>Exchange rate movements</i>	<i>4.0</i>	<i>(3.6)</i>	<i>(9.0)</i>	<i>61.9</i>	<i>(13.0)</i>
<i>Net cash (including restricted cash) – closing</i>	<i>28.8</i>	<i>21.5</i>	<i>109.0</i>	<i>231.2</i>	<i>184.1</i>

Source: Sino Gold and Grant Samuel analysis

Sino Gold's cash flow illustrates the significant investment made by Sino Gold over the last four and a half years in developing the Jinfeng and White Mountain mines. This investment has been funded principally through equity raisings. Over the last five years Sino Gold has raised approximately \$597.7 million in new equity, net of costs.

¹¹ Sino Gold's financial accounts have been prepared in accordance with AIFRS.

Annexure A

Independent Expert's Report

GRANT SAMUEL



3.5 Taxation Position

Under the Australian tax consolidation regime, Sino Gold and its wholly owned Australian resident entities have elected to form a single tax consolidation group and consequently are taxed as a single entity. Under the Chinese tax regime, Sino Gold's projects, which are all located in China, are subject to corporate tax of 25% and any dividends distributed offshore are subject to a 10% withholding tax.

At 31 December 2008, Sino Gold had carried forward Australian income tax losses of approximately \$200.9 million and carried forward Australian capital losses of approximately \$3.4 million.

At 7 October 2009, Sino Gold had no accumulated franking credits.

3.6 Capital Structure and Ownership

As at 7 October 2009, Sino Gold had the following securities on issue:

- 292,578,478 ordinary shares listed on the ASX (primary) and HKSE (secondary)¹²; and
- 12,106,733 options over unissued ordinary shares¹³.

Sino Gold's options are summarised in the following table:

Sino Gold – Options on Issue as at 7 October 2009				
Effective Issue Date	Expiry Date	Exercise Price	Issued Options	Exercisable Options
Canadian				
12 Apr 05	12 Apr 10	C\$9.52	109,730	109,730
22 Dec 06	31 Dec 09	C\$15.19	35,552	35,552
22 Dec 06	31 Dec 09	C\$2.91	27,508	27,508
22 Dec 06	3 Nov 10	C\$7.72	29,626	29,626
14 Mar 07	14 Mar 12	C\$3.67	88,392	88,392
4 Apr 07	4 Apr 12	C\$3.00	21,975	21,975
Directors				
31 Dec 05	31 Dec 10	\$3.13	800,000	800,000
31 Dec 06	31 Dec 11	\$6.34	1,370,000	-
9 Nov 07	9 Nov 12	\$7.49	850,000	-
9 Dec 08	9 Dec 13	\$4.35	858,750	-

Source: Sino Gold

¹² Including 25,000 options with an expiry date of 27 October 2009, which are assumed to be exercised before this date.

¹³ Excluding 25,000 options with an expiry date of 27 October 2009, which are assumed to be exercised before this date.

GRANT SAMUEL



Sino Gold – Options on Issue as at 7 October 2009 (cont)				
Effective Issue Date	Expiry Date	Exercise Price	Issued Options	Exercisable Options
Employees				
31 Dec 04	31 Dec 09	\$1.84	95,000	95,000
31 Dec 05	31 Dec 10	\$3.13	550,000	550,000
6 Mar 06	6 Mar 11	\$3.65	150,000	150,000
31 Dec 06	31 Dec 11	\$6.34	1,590,000	-
8 May 07	8 May 12	\$5.83	150,000	-
1 Sept 09	1 Sept 12	\$5.59	40,000	-
11 Sept 07	30 Sept 12	\$5.71	50,000	-
31 Dec 06	30 Sept 12	\$6.04	120,000	-
9 Nov 07	9 Nov 12	\$7.49	1,495,000	-
4 Dec 07	4 Dec 12	\$6.73	40,000	-
20 Oct 08	20 Oct 13	\$4.01	150,000	-
9 Dec 08	9 Dec 13	\$4.35	1,847,500	-
28 Jan 09	28 Jan 14	\$4.46	150,000	-
1 Mar 09	1 Mar 14	\$5.45	80,000	-
13 Jul 09	13 Jul 14	\$4.76	380,000	-
Other				
16 Sept 05	16 Sept 10	\$2.37	250,000	250,000
7 Aug 07	8 Aug 12	CS\$5.47	777,700	777,700
Total			12,106,733	2,935,483

Source: Sino Gold

Note: This table does not include 25,000 options with an expiry date of 27 October 2009, which are assumed to be exercised before this date.

These options comprise:

- options issued in exchange for options in Golden China Resources Corporation held by directors and employees as part of Sino Gold's takeover of Golden China Resources Corporation in August 2007, which were and still are denominated in Canadian dollars;
- options issued to employees and directors of Sino Gold through the Sino Gold Executive and Employee Option Plan. These options typically have a term of 5 years, vest in 3 years and have an exercise price set at the 5 day volume weighted average price prior to the date they are granted;
- 250,000 options on issue to Standard Bank plc as part of a prior financing arrangement; and
- 777,700 options issued in exchange for options in Golden China Resources Corporation held by two investors at the time of its takeover by Sino Gold.

All options that have not already vested have a change of control provision that will cause all of the options listed in the tables above to vest following a change of control in Sino Gold. Each option on issue is exercisable into one ordinary share and has no dividend entitlement or voting right until it is exercised.

At 23 September 2009, Sino Gold had 4,745 registered shareholders. Sino Gold's shareholders are principally specialist gold investors, and over 50% of all shareholders (including Eldorado) are located in North America. Approximately 18% of investors are Australian based, of which at least 13% are Australian institutional investors.

Annexure A

Independent Expert's Report

GRANT SAMUEL



The top 10 shareholders account for approximately 54.3% of the ordinary shares on issue:

Sino Gold - Major Shareholders as at 23 September 2009		
	Number of Shares	Percentage
Eldorado Gold	57,968,029	19.8%
BlackRock, Inc	17,795,562	6.1%
Fidelity Group	15,892,574	5.4%
Commonwealth Bank of Australia	15,432,978	5.3%
Bank of America	11,649,639	4.0%
JPMorgan Chase & Co	11,384,339	3.9%
AGF Mgt	8,047,083	2.8%
OppenheimerFunds	7,200,000	2.5%
Vanguard Group	6,912,150	2.4%
Paulson Partners	6,641,709	2.3%
Subtotal - Top 10 shareholders	158,924,063	54.3%
Other shareholders	133,629,415	45.68%
Total	292,553,478	100.00%

Source: Sino Gold

3.7 Share Price Performance

A summary of the share price and trading history of Sino Gold since 1 January 2003 is set out below:

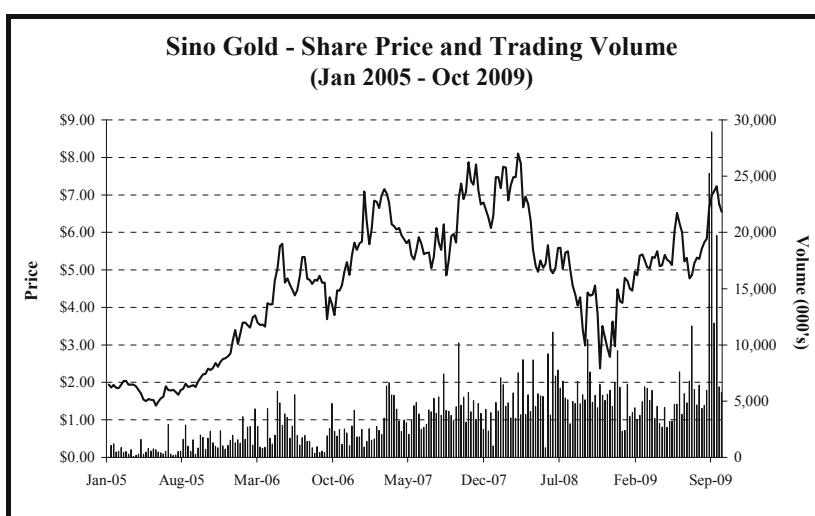
	Share Price (\$)			Average Weekly Volume (000's)	Average Weekly Transactions
	High	Low	Close		
Year ended 31 December					
2005	3.40	1.37	3.40	1,144	192
2006	7.28	2.96	7.09	2,742	989
2007	8.07	4.42	6.75	4,235	3,256
2008	8.61	2.37	5.00	6,256	6,659
Quarter ended					
31 March 2009	6.25	4.18	5.29	4,891	6,815
30 June 2009	6.61	4.88	5.18	5,685	7,453
30 September 2009	7.46	4.53	6.74	11,880	9,194
Month ended					
30 June 2009	6.61	5.02	5.18	9,320	8,796
31 July 2009	5.61	4.53	5.29	8,962	8,913
31 August 2009	6.82	5.33	6.69	11,929	9,100
30 September 2009	7.46	6.20	6.74	14,750	9,569
Week ended					
2 October 2009	6.97	6.45	6.55	5,792	7,681

Source: IRESS

GRANT SAMUEL



The following graph illustrates the weekly movement in the Sino Gold share price and trading volumes since 1 January 2005 on the ASX:



Source: IRESS

Note: Trading volume represents volume of shares traded on the ASX.

Since January 2005, Sino Gold's shares have traded at a low of \$1.37 on 20 May 2005 and a high of \$8.61 on 17 March 2008. During this period Sino Gold announced significant increase to resources and production, in particular bringing to production Jinfeng and White Mountain. Sino's share price then fell to a low of \$2.37 on 24 October 2008. The decline reflects a decrease in the broader market following the global financial crisis. However, during this time Sino Gold also completed a \$204 million capital raising through an institutional placement and pro-rata entitlement offer to retail investors, to fund, in part the \$125 million cost of closing Sino Gold's hedge book. Since then Sino Gold's share price increased to \$5.97 on 25 August 2008, the day prior to the announcement of the Proposals.

Sino Gold's volume weighted average price ("VWAP") for various periods prior to the announcement of the Proposals on 26 August 2009 is summarised in the following table:

Sino Gold – VWAP		
Period	VWAP	Premia
1 Day	\$5.92	22%
5 Day	\$5.68	28%
1 Month	\$5.58	30%
3 Month	\$5.46	33%

Source: Bloomberg

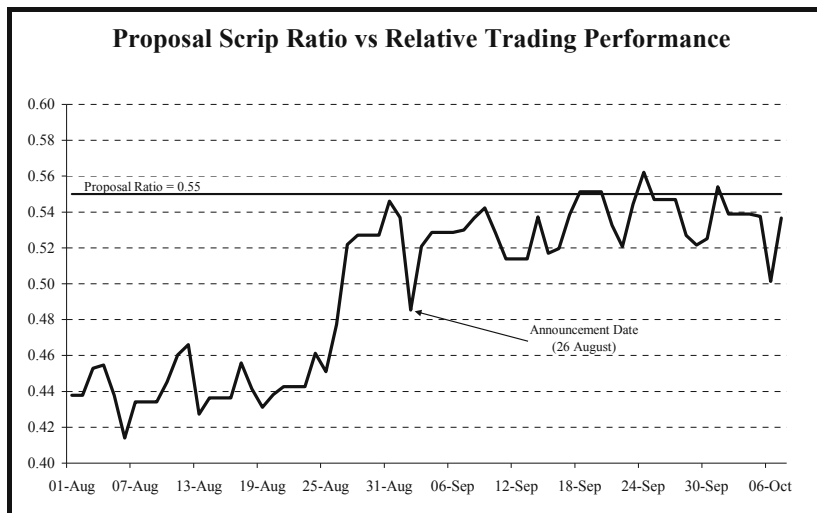
Note: Premia is based on an Eldorado share price of C\$11.96 and Australian dollar Canadian dollar exchange rate of 0.908 on 25 August 2009 giving an implied consideration of \$7.24 per Sino Gold share.

Since the announcement of the Proposals, Sino Gold's share price has increased significantly such that it is now trading at a significant premium to its VWAP before the announcement of the Proposals such that the Sino Gold share price is now trading at a slight discount to the Proposal scrip ratio of 0.55:

Annexure A

Independent Expert's Report

GRANT SAMUEL



Source: Bloomberg
 Note: Based on Sino Gold's Australian dollar share price and Eldorado's Canadian dollar share price at closing converted at the closing Australian dollar Canadian dollar exchange rate.

Sino Gold is a constituent of a number of indices. Sino Gold was added to the S&P/ASX 100 Index on 7 July 2009 and had a weighting of approximately 0.16% as at 7 October 2009. Sino Gold is also one of the 29 constituents of the S&P/ASX All Ordinaries Gold Index and had a weighting of 5.86% on 7 October 2009.

The following graph illustrates the performance of Sino Gold's shares since 1 January 2005 relative to the S&P/ASX All Ordinaries Gold Index and the spot gold price expressed in Australian dollars:



Source: Bloomberg

GRANT SAMUEL



Sino Gold's shares have outperformed the S&P All Ordinaries Gold Index and Australian dollar gold price over the period although the Sino Gold share price has been more volatile. In particular, Sino Gold's share price fell further during the broader market decline in 2008 than the Australian gold market and gold price. Since the beginning of 2009, Sino Gold's share price has recovered more strongly than the Australian gold market reflecting Sino Gold's increasing production and improved growth prospects.

Annexure A

Independent Expert's Report

GRANT SAMUEL



4 Profile of Sino Gold's Assets

4.1 Jinfeng

Overview

The Jinfeng gold mine is located in a remote area of the Guizhou Province in southern China, approximately 240 kilometres south-west of the provincial capital, Guiyang. The mine is located in a mountainous region and access is via a mostly paved road. It is the second largest gold mine in China in terms of production. Sino Gold has an 82% stake in a joint venture with the Chinese entity Guizhou Lannigou Gold Mine Limited holding the remaining 18%.

The Jinfeng deposit was discovered in 1986 by a Chinese exploration brigade. The area was further explored between 1993 and 1997 and an initial resource of 1.5 million ounces was declared in early 2000. Sino Gold acquired the project in April 2001 and a Bankable Feasibility Study was completed in April 2004. Construction commenced in February 2005 and was completed in March 2007 at a cost of US\$95 million. First gold pour occurred in March 2007 and commercial production was declared on 1 September 2007. The operations comprise an open pit, an underground mine and a biooxidation and carbon-in-leach ("CIL") process plant. The operation is designed to process 1.2 million tonnes of ore to produce 180,000 ounces of gold per year. The treatment process produces gold doré, which is sent to a refinery in China.

The layout of the mine is illustrated on the following diagram:



Source: Sino Gold

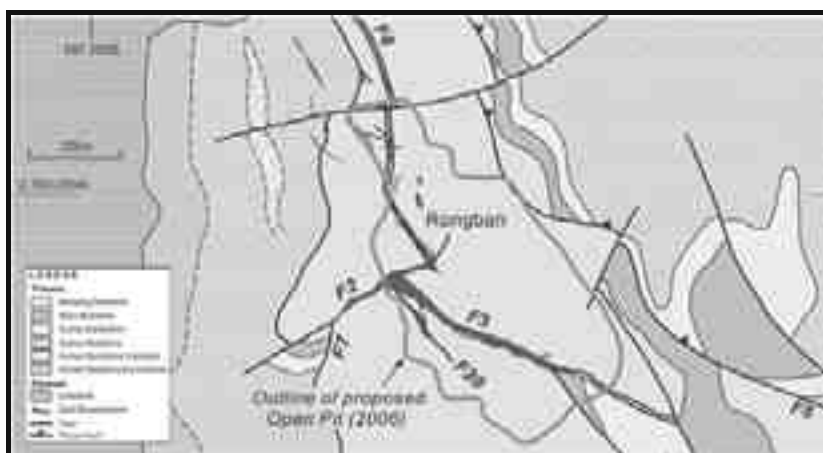
Geology and Mineralisation

The Jinfeng mine lies within the Golden Triangle region, a sedimentary basin overlying folded limestones of the Laizhistan Dome. A number of deposits have been discovered in the region, several of which have resources in excess of one million ounces. The geological setting is similar to that of the Carlin deposits in Nevada in the United States.

GRANT SAMUEL



As illustrated in the diagram below, a number of faults control the orebody:



Source: Sino Gold

The east-south-east trending, high angle F3 fault, which is consistently mineralised over a strike length of 1,300 metres and to a depth in excess of 1,000 metres, contains the majority of the mineralisation. The north-east-trending F2 fault, which terminates the F3 fault to the north-west, is weakly mineralised. Mineralisation continues to the north-west of the F2 fault into the Rongban area, within a series of high-angle faults and the F7 fault.

Mining & Processing

The Jinfeng mine exploits a single mineralised system from both an open pit and an underground mine. The mine and process plant, designed by Ausenco, have a nameplate capacity of 1.2 million tonnes per annum for annual production of 180,000 ounces of gold. However, current production rates exceed design capacity.

Commercial production started in the September 2007 quarter with ore initially sourced from the open pit. Production from the underground mine started in the December 2008 quarter. The contribution from the open pit is expected to progressively decrease from approximately 1.2 million tonnes in 2009 to zero by 2017. As at the date of this report, the pit floor had reached the 535 metres level and is expected to go down to the 420 metres level. Following some recent instances of pit wall instability, Sino Gold is reviewing the design of the pit. Mining in the open pit is undertaken by a contractor.

The underground mine should provide feed for the plant until 2021, with a maximum annual production rate of 1.0 to 1.2 million tonnes from four levels. Resources have been defined down to the -250 metres level, approximately 670 metres below the planned bottom of the pit. Jinfeng is currently using overhand cut-and-fill mining methods, however management is considering transitioning to underhand cut-and-fill mining in light of the poor underground conditions in the mine. As a consequence, Sino Gold lowered its 2009 underground production target from 400,000 tonnes to 250,000 tonnes and most recently to 200,000 tonnes of ore. However, the company does not expect the change in mining method to impact underground mining costs and Jinfeng's 2009 gold production guidance. Mining in the underground mine is done by Sino Gold.

The ore is crushed and then ground in a semi autogenous mill and two ball mills. After crushing and grinding, a flotation circuit recovers a gold-rich pyrite concentrate. As the ore is refractory, it requires preliminary treatment to liberate the gold from the sulphide mineralisation. This is achieved in a BIOX[®] plant, which breaks down the sulphide ore using naturally occurring bacteria to liberate the gold. The Jinfeng BIOX[®] plant is the second largest in the world. The concentrate

Annexure A

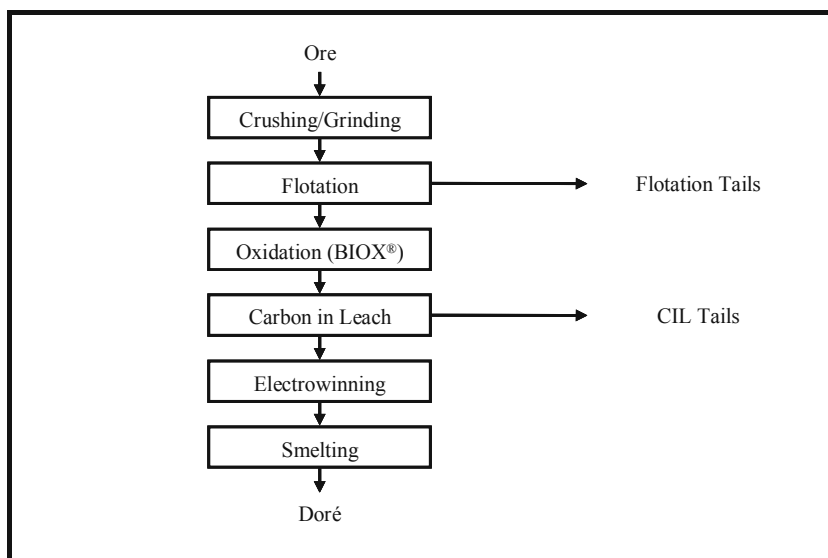
Independent Expert's Report

GRANT SAMUEL



from the BIOX[®] process is treated through a conventional CIL plant to recover the gold. Overall gold recoveries are expected to be approximately 85%.

The process is illustrated in the diagram below:



Source: Sino Gold

Reserves and Resources

Jinfeng's Resources and Reserves (100%) as at 31 December 2008 are summarised as follows:

Jinfeng - Resources and Reserves as at 31 December 2008 ¹⁴			
	Tonnes (Mt)	Average Grade (g/t)	Contained Gold (*000's oz)
Resources¹⁵			
Measured	18.0	4.8	2,750
Indicated	11.0	4.5	1,580
Inferred	5.4	3.9	674
Total Resources	34.3	4.5	5,004
Reserves¹⁶			
Proved	13.2	5.1	2,171
Probable	6.1	5.4	1,061
Total Reserves	19.3	5.2	3,232

Source: Sino Gold

¹⁴ Rounding conforming to the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code) may cause some computational discrepancies.

¹⁵ Resources are based on a cut-off grade of 1.0g/t for the open pit feed and 2.0g/t for the underground feed. The number of contained ounces does not indicate the ounces that will be ultimately recovered.

¹⁶ Reserves have been calculated using a cut off grade of 1.5g/t for the open pit feed and 2.9g/t for the underground feed. The reserves reflect an assumed life-of-mine gold price of US\$750 per ounce.

GRANT SAMUEL



The current resource has a strike length of 750 metres, a maximum depth of 700 metres and is between 5 and 30 metres wide. On 14 April 2008, Sino Gold announced that it had added dilution and additional low-grade ore blocks to its mining model to reflect its experience in mining selected ore blocks in the open pit. This resulted in a 0.5 g/t decrease in the reserve grade.

Exploration

The Jinfeng deposit remains open at depth to the east-south-east as well as to the north-west in the Rongban area. Sino Gold plans on undertaking further resource drilling from underground but does not expect to do so for at least 12 months.

Sino Gold is also conducting near-mine exploration with the aim to identify orebodies that would provide feed for the Jinfeng process plant. Sino Gold has entered into three joint ventures covering more than 400km² around the Laizhishan Dome. Exploration is aimed at zones close to the faulted contact between the limestone and the sediments, which are considered very prospective for Carlin-style deposits. A number of areas have been identified by gold-arsenic and stream geochemistry anomalies, as well as by trenching and artisanal mining. No near mine resource has been delineated to date.

Operating Performance

Jinfeng's operating performance in the two years to 30 June 2009 is summarised in the tables below:

Jinfeng – Quarterly Operating Statistics								
	Quarter ended							
	30 Sep 07	31 Dec 07	31 Mar 08	30 Jun 08	30 Sep 08	31 Dec 08	31 Mar 09	30 Jun 09
Waste mined (000's bcm)	1,476	1,555	2,022	2,424	2,326	2,903	2,532	2,618
Ore mined (000's tonnes)								
Open pit	162	234	209	356	376	437	385	317
Underground	-	-	-	-	-	14	32	38
Total	162	234	209	356	376	451	417	355
Ore milled (000's tonnes)	111	249	283	290	304	367	356	366
Head gold grade (g/t)	5.5	5.4	4.6	4.6	4.7	4.8	4.5	4.3
Gold recovery (%)	72.0	74.8	74.7	81.9	84.0	82.5	82.4	82.8
Gold produced (ounces)	14,118	32,186	30,976	35,412	38,250	46,290	42,342	41,453
Cash costs (US\$/oz gold)								
Cash operating costs	447 ¹⁷	412	429	405	402	375	380	379
Total cash costs			477	447	444	412	422	423
Gold sold (ounces)	13,435	27,512	32,007	38,525	37,958	44,413	42,183	45,241
Price realised (US\$/oz)	\$699	\$788	\$924	\$902	\$834	\$810	\$902	\$926

Source: Sino Gold

¹⁷ Relates to the month ended 30 September 2007.

Annexure A

Independent Expert's Report

GRANT SAMUEL



Jinfeng – Annual Operating Statistics			
	Year ended		Six months ended
	31 Dec 07	31 Dec 08	30 Jun 09
Waste mined (000's bcm)	5,275	9,675	5,150
Ore mined (000's tonnes)			
Open pit	692	1,378	702
Underground	-	14	70
Total	692	1,392	772
Head gold grade (g/t)	5.5	4.7	4.4
Gold recovery (%)	71.9	81.0	82.6
Gold produced (ounces)	56,981	150,928	83,794
Cash costs (US\$/oz gold)			
Cash operating costs	n.a.	400	380
Total cash costs	n.a.	442	422
Gold sold (ounces)	43,483	152,903	87,424
Price realised (US\$/oz)	n.a.	872	914

Source: Sino Gold

Commercial production from the open pit was declared on 1 September 2007 while underground production started in the December 2008 quarter. By the end of December 2007, Jinfeng had reached or exceeded design specifications for mill throughput rate, BIOX[®] throughput rate and recovery in the CIL circuit (93%). In particular, the BIOX[®] plant performed well during winter despite the cold weather. On the other hand, flotation recovery was far below the design rate of 91% and only reached design specifications in August 2009. Discharging to the CIL tailings dam during the 2007 wet season also adversely affected production, but this was addressed through the construction of a filter plant to produce dry tailings.

The step reduction in head grade in the 31 March 2008 quarter is related to the 0.5g/t reduction in the reserve grade announced by Sino Gold on 14 April 2008. This adjustment combined with lost production related to power restrictions during the March 2008 quarter prompted the company to reduce its 2008 production guidance from 170,000-180,000 ounces at cash operating costs of US\$300 per ounce to 150,000-160,000 ounces at cash operating costs of US\$370 per ounce. Cash operating cost guidance was further increased to US\$390 per ounce in the June 2008 quarter to reflect the increase in diesel and power costs. Jinfeng achieved production of 150,928 ounces at cash operating costs of US\$400 per ounce for the 2008 calendar year.

The reduction in grades in the March 2009 and June 2009 quarter was expected, reflecting the mining of lower grade portions of the ore body. The grade reduction was offset by lower consumable costs and the impact of cost saving measures, resulting in a fall in unit cash costs. The company has stated that the process plant is now operating at approximately 30% above design. Gold production for the six months ended 30 June 2009 was in line with budget and cash costs were slightly below budget.

The company is evaluating the possibility of mining and processing high grade ore earlier than initially planned and of installing additional crushing capability to increase mill throughput above the current 1.4 million tonnes per annum capacity.

4.2 White Mountain

Overview

The White Mountain gold mine is located in the Jilin Province in northeastern China, approximately 230 kilometres south-south-east of the provincial capital, Changchung. The mine is approximately seven kilometres from the city of Baishan, within an iron ore and coal mining district with good infrastructure. Access is via a paved road. Sino Gold holds a 95% stake in a

GRANT SAMUEL



joint venture with the Chinese entity Jilin Tonghua Institute of Geology and Minerals Exploration and Development holding the remaining 5%.

The joint venture was formed in November 2003, with Sino Gold holding an initial 80%. The joint venture held an initial exploration licence covering an area of 60 km², which has since increased to 122 km² by securing three additional licences. Exploration commenced in May 2004 and an initial resource of 436,000 of gold was announced on 20 December 2005. In July 2006, Sino Gold announced that it had exercised an option to increase its stake in the joint venture to 95% following good drilling results. In August 2007, the Board of Sino Gold approved the construction of the White Mountain gold mine and site construction commenced soon thereafter. The construction was undertaken by Chinese contractors, managed by an experienced Sino Gold team and based on a Chinese design using mainly Chinese equipment. Construction costs amounted to US\$65 million. The first gold pour occurred in October 2008 and commercial production was declared in January 2009.

The operations consist of an underground mine and a simple CIL process plant and are located in an area characterised by steep topography. The layout of the operations is illustrated in the following diagram:



Source: Sino Gold

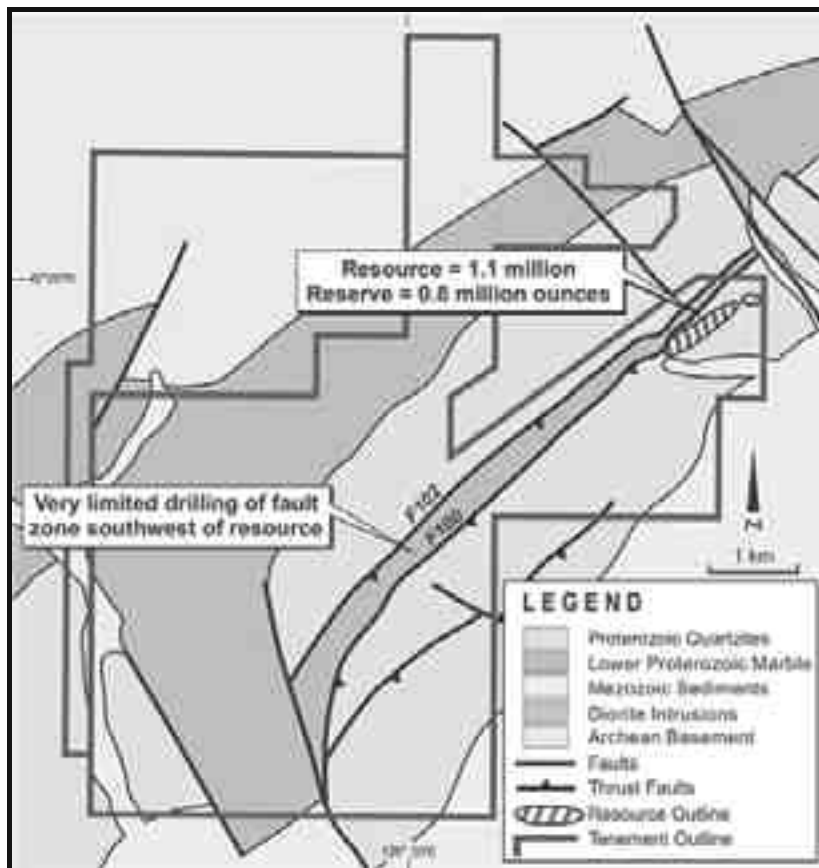
Geology and Mineralisation

The White Mountain deposit is fairly simple, with gold mineralisation hosted by a silicified pyritic breccia in a major regional fault zone. Mineralisation is believed to be primarily controlled by the intersection of the north-east trending F100 and F102 faults. The mineralisation is found between hanging wall quartzite and footwall silicified dolomite with high grade shoots found at the intersection of the F100 fault with transverse faults. The mineralisation dips between 25 and 70 degrees to the south-east (average of 45 degrees). The resource extends over a strike length in excess of 1.5 kilometres to a depth of 530 metres with true thickness of up to 60 metres and an average true width of approximately nine metres. The mineralisation is open at depth and along strike to the north-east.

Annexure A

Independent Expert's Report

GRANT SAMUEL



Source: Sino Gold

Mining & Processing

The mine and process plant, designed by a Chinese design institute, have a nameplate capacity of 650,000 tonnes of ore per annum for annual production of 65,000 ounces of gold.

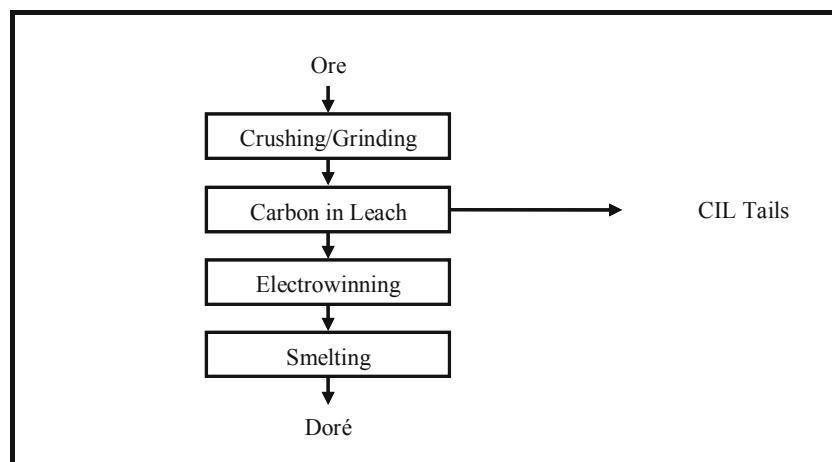
Ground conditions are good and Sino Gold now expects that the principal mining methods will be sub-level open stoping and bench stoping, instead of cut and fill as initially planned. Partially as a consequence of the expected change in mining method, Sino Gold now expects to assume direct responsibility for the drilling, blasting and remote loading functions (currently the responsibility of a contractor), but expects that mine development and haulage will continue to be undertaken by contractors. The ore body is proving more complex than anticipated with discoveries of recoverable mineralisation at good grades in locations not predicted by the White Mountain resource model.

Mineralisation is generally non-refractory. The ore is treated in a simple CIL circuit after being crushed and ground. Gold is recovered from the CIL solution by electrowinning. The gold doré is sent to a refinery in China. Overall gold recoveries are expected to average 80%.

GRANT SAMUEL



The process is illustrated in the diagram below:



Source: Sino Gold

Reserves and Resources

White Mountain's Resources and Reserves (100%) as at 31 December 2008 are summarised as follows:

White Mountain - Resources and Reserves as at 31 December 2008 ¹⁸			
	Tonnes (Mt)	Average Grade (g/t)	Contained Gold (000's oz)
Resources¹⁹			
Measured	6.7	3.1	673
Indicated	4.0	3.1	405
Inferred	1.6	2.1	109
Total Resources	12.4	3.0	1,188
Reserves²⁰			
Proved	4.3	3.6	500
Probable	2.3	4.0	290
Total Reserves	6.6	3.7	790

Source: Sino Gold

Exploration

The ore body is still open along strike to the north-east and drilling is underway at prospects to the south-west and south-east of the mine.

¹⁸ Rounding conforming to the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code) may cause some computational discrepancies.

¹⁹ Resources are based on a cut-off grade of 1.0g/t. The number of contained ounces does not indicate the ounces that will be ultimately recovered.

²⁰ Reserves have been calculated using a cut off grade of 2.0g/t and reflect an assumed life-of-mine gold price of US\$750 per ounce.

Annexure A

Independent Expert's Report

GRANT SAMUEL



Operating Performance

First gold was poured two months ahead of schedule in October 2008 and the mine moved to commercial production in the March 2009 quarter. White Mountain's operating performance in the two quarters to 30 June 2009 is summarised in the table below:

White Mountain – Operating Statistics		
Quarter ended	31 Mar 09	30 Jun 09
Ore mined (000's t)	79	109
Ore milled (000's t)	106	113
Head gold grade (g/t)	3.5	4.0
Gold recovery (%)	74.1	82.8
Gold produced (ounces)	8,800	11,914
Cash costs (US\$/oz gold)		
Cash operating costs	514	430
Total cash costs	544	467
Gold sold (ounces)	6,714	14,577
Price realised (US\$/oz)	n.a.	n.a.

Source: Sino Gold

As at 30 June 2009, ramp-up of production was ahead of schedule and Sino Gold expected to reach design rates by the December 2009 quarter. Higher than expected water inflows in the mine were being dealt with through improved pumping capacity and additional sumps to settle the water prior to discharge. Gold recovery was higher than the design of 81%. Gold production for the six months ended 30 June 2009 was higher than budget with average cash costs more than US\$100 per ounce lower than expected.

In July 2009, production was affected by lower recovery rates due to the need to mine and treat increasing proportions of refractory ore. In part, this reflected limitations on underground ore access while dewatering was being conducted in the mine. This was exacerbated by a blockade of the mine by local villagers in August and September (allegedly because of concerns about water discharge from the mine-site), forcing the plant to treat stockpiled refractory ore and Sino Gold to suspend production on 10 August 2009 pending the resolution of the concerns of the local villagers regarding the water discharge. These factors will result in significantly lower production than forecast for the September quarter and Sino Gold's ability to meet its 2009 production guidance is subject to recommencement of production at White Mountain before 30 October 2009. It is expected that it will take several months after mining operation restarts for White Mountain to achieve its design rate of production of 65,000 ounces per annum.

4.3 Eastern Dragon

Overview

The Eastern Dragon project is a relatively high-grade, gold-silver deposit located in a remote area of the Heilongjiang Province in northeastern China, approximately 425 kilometres north of the provincial capital, Harbin. The project is approximately 45 kilometres south of the town of Xunke close to the Russian border, in an area of lightly forested rolling hills. There is water nearby. Winters are severe and limit the duration of the exploration and construction season. Sino Gold holds a 95% stake in a joint venture with the Chinese entity, Heilongjiang Non-ferrous Geology Exploration Brigade 707 holding the remaining 5%.

Mineralisation was discovered in 1998 by a Chinese exploration brigade. In the March 2008 quarter, Sino Gold acquired an initial 72% stake in the Eastern Dragon Lode 5 for US\$90 million. Sino Gold acquired an additional 8% for US\$11 million the following quarter and increased its stake to 95% in March 2009 for US\$20 million. A Chinese Feasibility Study was completed in early 2009 and the development of the project was approved by the board of Sino Gold in April

GRANT SAMUEL



2009. The study contemplates the development of open pit and underground mines and the construction of a simple CIL process plant. Production in the first five years of operation is expected to deliver an average of 90,000 ounces of gold per annum at cash operating costs of US\$125 per ounce (after silver credits). Construction has commenced and is expected to cost US\$65 million. Sino Gold is aiming to commence commissioning in late 2010 and commercial production in early 2011.

Geology and Mineralisation

The Eastern Dragon deposit is a near-surface, low sulphidation, epithermal deposit. Mineralisation in Lode 5 has been identified over a strike length of 800 metres and to a depth of 300 metres. Metallurgy and ground conditions are very good: the host rock is granite, the ore is oxidised and the levels of arsenic and mercury are low.

Mining & Processing

The Chinese Feasibility Study contemplates:

- the development of an open pit mine down to a depth of 60 metres;
- the development of an underground mine to be mined using the bench stoping method;
- the construction of a simple CIL process plant with an initial annual capacity of 150,000 tonnes of open pit ore grading at 11.5 g/t; and
- the potential to expand the plant to a capacity of 500,000 tonnes per annum.

Design recoveries are 95% for the gold and 80% for the silver and cash operating costs are expected to be US\$125 per ounce (including silver recoveries).

Reserves and Resources

Eastern Dragon's Resources and Reserves (100%) as at 31 December 2008 are summarised as follows:

Eastern Dragon - Resources and Reserves as at 31 December 2008 ²¹					
	Tonnes (Mt)	Average Gold Grade (g/t)	Contained Gold (000's oz)	Average Silver Grade g/t	Contained Silver (Moz)
Resources²²					
Measured	0.6	11.2	220	83	1.6
Indicated	1.6	7.2	361	73	3.7
Inferred	1.2	5.0	196	50	1.9
Total Resources	3.4	7.1	777	66	7.2
Reserves²³					
Proved	0.7	9.8	206	72	1.5
Probable	1.3	7.6	321	69	2.9
Total Reserves	2.0	8.4	527	70	4.4

Source: Sino Gold

²¹ Rounding conforming to the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code) may cause some computational discrepancies.

²² Resources are based on a cut-off grade of 1.0g/t. The number of contained ounces does not indicate the ounces that will be ultimately recovered.

²³ Reserves have been calculated using cut off grades of 1.5g/t and 2.5g/t and reflect an assumed life-of-mine gold price of US\$650 per ounce.

Annexure A

Independent Expert's Report

GRANT SAMUEL



Exploration

The Lode 5 resource is still open to the north, while there appears to be limited potential to the south and at depth. Drilling is required to convert inferred resources to reserves in the upper levels of the ore body. Since January 2009, Sino Gold has announced the results of numerous drill holes designed to test the northerly extension of the orebody. These strongly suggest that the orebody continues for at least a further 300 metres beyond the northerly extent of the current reserves, and that there are good grounds to expect a significant increase in the current reserve base. The location of the drill holes reported in the June 2009 quarterly report is shown on the diagram below.



Source: Sino Gold

Sino Gold is in the process of increasing its stake in an exploration licence covering an area of 53 km² around Lode 5 ("EL53") from 60% to 90%. The area is highly prospective because the epithermal style of mineralisation at Eastern Dragon is known to form clusters of similar deposits.

4.4 Beyinhar

Sino Gold acquired the Beyinhar project as part of its acquisition of Golden China Resources Corporation. The project is a low-grade deposit located approximately 500 kilometres north-west of Beijing in the Inner Mongolia Autonomous Region, in a steppe grasslands area characterised by extreme weather conditions. The project is approximately two kilometres from a regional road and less than 10 kilometres from grid power. Sino Gold holds a 95% stake in the Beyinhar Joint Venture and 100% of a nearby 33 km² exploration licence.

GRANT SAMUEL



Beyinhar's Resources and Reserves (100%) as at 31 December 2008 are summarised as follows:

Beyinhar - Resources and Reserves as at 31 December 2008²⁴			
	Tonnes (Mt)	Average Grade (g/t)	Contained Gold (Moz)
Resources²⁵			
Measured	7.8	0.82	205
Indicated	53.9	0.49	848
Inferred	7.5	0.75	182
Total Resources	69.2	0.55	1,235
Reserves²⁶			
Proved	7.1	0.83	191
Probable	20.7	0.55	367
Total Reserves	27.8	0.62	558

Source: Sino Gold

A Board Feasibility Review completed in 2008 contemplated the development of an open pit mine and a simple heap leach operation with a capacity of three million tonnes per annum. Recoveries were expected to reach 85% resulting in cash costs of US\$450 per ounce. Total development costs of approximately US\$65 million were expected. The project is currently under review. Sino Gold is exploring for near mine high grade oxide ore with no success to date and is undertaking a heap leach trial on a 20,000 tonne sample to confirm grades and recoveries.

4.5 Regional Exploration

Golden Triangle

Sino Gold believes that the Golden Triangle Region around the Jinfeng mine is highly prospective. A number of gold deposits in excess of one million ounces have been discovered in the area. Sino Gold's most significant prospect in the region is the Yandan Prospect in the Guangxi province, located 70 kilometres south-east of Jinfeng. Drilling has identified low-grade gold mineralisation in a system with a total strike length of 1.3 kilometres. If higher grade mineralisation in economic quantities was identified, it is conceivable that concentrate from Yandan could be transported by boat to Jinfeng if the size of the deposit did not justify the construction of a standalone process plant.

Jinshu

Sino Gold has a 50% interest in the Sino Gold Fields Alliance, a joint venture with Gold Fields. The aim of the joint venture is to identify large deposits with the potential to produce at least 300,000 ounces of gold equivalent per annum. Drilling has identified the Jinshu Prospect in the Yunnan Province. Current drilling is focused on following up on zones of narrow, high-grade gold mineralisation found within a broader envelope of low grade mineralisation, with the aim to delineate an initial resource.

Caijiagou

Sino Gold announced on 13 August 2009 that it had entered into an option agreement to acquire the Caijiagou Gold Project in Liaoning Province in northeast China. An initial payment of US\$300,000 entitles the company to conduct due diligence, including drilling. Sino Gold has the

²⁴ Rounding conforming to the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code) may cause some computational discrepancies.

²⁵ Resources are based on cut-off grades of 0.2g/t and 0.5g/t. The number of contained ounces does not indicate the ounces that will be ultimately recovered.

²⁶ Reserves have been calculated using cut off grades of 0.28g/t and 0.66g/t and reflect an assumed life-of-mine gold price of US\$650 per ounce.

Annexure A

Independent Expert's Report

GRANT SAMUEL



option to acquire a 70% stake in the project for US\$7.9 million within 12 months and an additional 25% for US\$4.4 million within 24 months.

The project consists of a small open-pit mine, a processing plant and a 17.5 km² exploration licence. It is located in a coal, iron ore and gold mining district and is close to major cities and infrastructure. Mineralisation is structurally controlled, hosted in granite and is one of the many gold deposits in the Hebei-Liaoning metallogenic belt. As at the date of the announcement, the open pit was 250 metres long, 80 metres wide and 40 metres deep. The plant, which comprises two ball mills and a flotation circuit, has a design capacity of 1,000 tonnes of ore per day and currently produces concentrates yielding approximately 6,000 ounces of gold per year. The deposit has been mined since 2008 without any drilling undertaken to test the gold mineralisation.

Limited sampling by Sino Gold has returned 8m at 4 g/t gold and 24m at 1.7 g/t. In the next few months, Sino Gold intends to conduct geological mapping, geophysical data analysis and diamond drilling.

GRANT SAMUEL



5 Overview of Eldorado

5.1 Background

Eldorado is a gold production, exploration and development company headquartered in Vancouver, Canada. It has businesses in Turkey, China, Greece and Brazil. Eldorado shares were listed on the Toronto Stock Exchange (“TSX”) on 23 October 1993 and on the NYSE Amex on 23 January 2003. The Eldorado shares will be listed on the New York Stock Exchange (“NYSE”) and de-listed from NYSE Amex on 22 October 2009.

Key events since the beginning of 2005 have included:

Key Events	
Apr 05	Entered an option agreement with Mineração Amapari Ltda to acquire a 75% interest in the Vila Nova Iron Ore project in Brazil
Sept 05	Acquired Afcan Mining Corporation (“Afcan”) including an 85% interest in the Tanjianshan gold project, China in exchange for 23 million shares, 4.6 million share purchase warrants and 91,538 options in Eldorado
Jul 06	Commenced commercial production at Kişladağ gold mine in Turkey
Jan 07	São Bentogold mine in Brazil ceased operations Completed pre-feasibility study for the Vila Nova iron ore project
Feb 07	Commenced production at Tanjianshan gold mine in China
Aug 07	Completed positive pre-feasibility study for the Efemçukuru Gold project, Turkey
Jun 08	Commenced construction of the Efemçukuru Gold project
Jul 08	Completed acquisition of Frontier Pacific Mining Corporation (“Frontier”) including 100% interest in Perama Hill gold project in Greece and other exploration projects in Peru and Columbia for 0.122 Eldorado shares for each Frontier share plus C\$0.0001 in cash and one exchange receipt (which provided the right to an additional 0.08 Eldorado shares on receipt of final environmental approval for the Perama Hill project) Entered an option agreement with Brazauro Resources Corporation (“Brazauro”) for the right to acquire up to a 75% interest in the Tocantinzinho gold project in Brazil in exchange for undertaking a US\$9.5 million exploration and development program, a cash payment of US\$90.0 million and a production decision fee of up to US\$10 million. Eldorado also subscribed for 8.8 million Brazauro units at C\$0.95 per unit
Dec 08	Completed sale of São Bento gold mine in Brazil to AngloGold Ashanti for US\$70 million payable through the issue of 2.7 million AngloGold Ashanti American Deposit Receipts
Apr 09	Completed optimization study for the Kişladağ Gold mine
Jun 09	Acquired 57.9 million shares (19.83%) in Sino Gold from Gold Fields in exchange for 27.8 million shares in Eldorado at an exchange rate of 0.48. The terms of the transaction included a top up facility if Eldorado acquired an additional 5% or more in Sino Gold at an implied higher ratio within a period of 18 months
Jul 09	Completed sale of the company’s interest in the Macusani East Uranium project to Solex Resources Corp. (“Solex”) in exchange for 11.8 million Solex shares, a promissory note of US\$2 million and a uranium royalty on the project
Aug 09	Completed acquisition of outstanding 25% interest in the Vila Nova iron ore project in exchange for a net profits interest royalty of 10% and a sliding scale royalty based on the project’s operating margin

Source: Eldorado

Annexure A

Independent Expert's Report

GRANT SAMUEL



Eldorado's key assets are:

Eldorado Key Assets ²⁷						
Asset/Project	Interest	Status/ Location	As at 31 Dec 08 ²⁸			Production ²⁹ 30 June 09 (^{'000 oz})
			Resources (Moz/Mt)		Reserves (Moz/Mt)	
			M&I	Inferred		
Gold						
Kışladağ	100%	Production, Turkey	7.9	2.5	5.5	109.2
Tanjianshan	90%	Production, China	0.9	0.4	0.8	36.8
Efeçukuru	100%	Development Turkey	1.5	0.7	1.2	-
Perama Hill	100%	Development Greece	1.4	0.6	-	-
Total gold			11.7	4.2	7.5	146.0

Source: Eldorado and Grant Samuel analysis

Note: The assumptions and methodologies relating to the numbers in the above table are set out in section 4.6 of the Scheme Booklet

Eldorado also has a 100% interest in the Vila Nova iron ore project in Brazil and an agreement to earn up to a 75% interest in the Tocantinzinho gold project in Brazil.

Eldorado's activities are located largely in Brazil, Turkey, China and Greece:



Source: Eldorado

²⁷ Reserves, resources and production represent Eldorado's share.

²⁸ Mineral Reserve, Proven Mineral Reserve and Probable Mineral Reserve used are Canadian mining terms as defined in accordance with National Instrument 43-101 – Standards of Disclosure of Mineral Projects under the guidelines set out in the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Standards on Mineral Resources and Mineral Reserves, adopted by the CIM Council on August 20, 2000.

The terms Mineral Resource, Measured Mineral Resource, Indicated Mineral Resource, Inferred Mineral Resource used are Canadian mining terms as defined in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects under the guidelines set out in the CIM Standards. Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability.

²⁹ Production for the 6 months ended 30 June 2009.

GRANT SAMUEL



Eldorado's strategy is to find and develop exploration and development opportunities, or low cost producing assets which have the potential to increase mineral resources, in Turkey, China, Greece, Brazil or the surrounding regions.

5.2 Financial Performance

The financial performance of Eldorado for the four years ended 31 December 2008 and six months ended 30 June 2009 is summarised below:

Eldorado - Financial Performance ³⁰ (US\$ millions)					
	Year ended 31 December				6 mths ended 30 Jun 09 actual
	2005 actual	2006 actual	2007 actual	2008 actual	
Production ('000 oz)	64.3	135.7	281.1	308.8	146.0
Sales volumes ('000 oz)	66.8	127.6	266.0	316.9	143.9
Sales revenue	29.7	77.6	179.3	277.7	132.4
Other revenue	0.5	0.9	1.9	7.6	0.2
Total revenue	30.2	78.5	181.2	285.3	132.6
Operating costs	(35.4)	(45.9)	(72.7)	(92.0)	(46.9)
Corporate costs	(14.9)	(19.0)	(26.8)	(38.3)	(16.7)
Other costs	(8.4)	(11.3)	(14.2)	(18.0)	(5.4)
EBITDA³¹	(28.5)	2.3	67.5	137.0	63.6
Depreciation and amortisation	(9.8)	(1.8)	(20.0)	(26.0)	(11.0)
EBIT³²	(38.3)	0.5	47.5	111.0	52.6
Net interest expense/(income)	3.5	4.6	4.1	-	0.2
Non-recurring items	(13.8)	(1.2)	5.9	70.3	1.6
Operating profit before tax	(48.6)	3.9	57.5	181.3	54.4
Income tax expense	(0.5)	(0.6)	(22.1)	(12.5)	(14.4)
Operating profit after tax	(49.1)	3.3	35.4	168.8	40.0
Outside equity interests	-	-	-	(5.1)	(1.0)
Profit after tax attributable to Sino Gold shareholders	(49.1)	3.3	35.4	163.7	39.0
<i>Statistics</i>					
<i>Basic earnings per share (\$ per share)</i>	<i>(0.17)</i>	<i>0.01</i>	<i>0.10</i>	<i>0.46</i>	<i>0.11</i>
<i>Production growth (%)</i>	<i>(21.6)%</i>	<i>111.0%</i>	<i>107.2%</i>	<i>9.8%</i>	<i>nm</i>
<i>Average realised price (US\$/oz)</i>	<i>445</i>	<i>608</i>	<i>674</i>	<i>876</i>	<i>920</i>
<i>Average total cash cost (US\$/oz)</i>	<i>416</i>	<i>330</i>	<i>363</i>	<i>289</i>	<i>319</i>
<i>Total revenue growth (%)</i>	<i>(11.5)%</i>	<i>159.9%</i>	<i>130.8%</i>	<i>57.5%</i>	<i>nm</i>
<i>EBITDA margin (%)</i>	<i>(94.4)%</i>	<i>2.9%</i>	<i>37.3%</i>	<i>48.0%</i>	<i>48.0%</i>
<i>EBIT margin (%)</i>	<i>(126.8)%</i>	<i>0.6%</i>	<i>26.2%</i>	<i>38.9%</i>	<i>39.7%</i>

Source: Eldorado and Grant Samuel analysis

Eldorado's production has increased significantly since 2005, notwithstanding that production from São Bento ceased in January 2007. Production growth in 2006 through to 2008 is

³⁰ Eldorado's financial accounts have been prepared in accordance with Canadian Generally Accepted Accounting Principles ("GAAP"). Numbers might not add due to rounding.

³¹ EBITDA is earnings before net interest, tax, depreciation and amortisation, and significant and non-recurring items.

³² EBIT is earnings before net interest, tax, investment income, and significant and non-recurring items.

Annexure A

Independent Expert's Report

GRANT SAMUEL



attributable to production commencing at Kışladağ in July 2006 and ramping up in 2007, and production commencing at Tanjianshan in February 2007. Eldorado is yet to enjoy a full year production contribution from Kışladağ, which suspended production between August 2007 and March 2008 due to disputes over its environmental approvals.

Gold is sold at the prevailing spot price to gold financial institutions or the Istanbul and Shanghai Gold Exchanges. Over the last four and a half years Eldorado has not undertaken any hedging activities in relation to gold price or currency. Eldorado does not currently have any gold or currency hedges in place and has stated that any future hedging activities will depend on an ongoing assessment of the gold market, its hedging strategy, financing restrictions and other factors.

Average realised gold prices have increased in line with the gold price. Eldorado's cash costs are very low and have progressively fallen as lower cost production from Kışladağ and Tanjianshan has replaced production from São Bento. Although cash costs increased over the six months ended 30 June 2009 due to higher roasting costs, lower grades and lower recoveries at Tanjianshan as well as higher strip ratio and reagent costs at Kışladağ relating to the transition from oxide to sulphide ore.

Non recurring items over the four and a half years are as follows:

Eldorado – Non Recurring Items³³ (US\$ millions)					
	Year ended 31 December				6 mths ended 30 Jun 09 actual
	2005 actual	2006 actual	2007 actual	2008 actual	
Gain on disposal of assets	0.2	0.1	3.6	70.8	1.5
Gain on marketable securities	(0.7)	0.9	0.2	2.5	0.1
Loss/(gain) on derivative contract	-	-	2.1	(3.0)	-
Written down assets	(13.3)	(2.2)	-	-	-
Total non recurring items	(13.8)	(1.2)	5.9	70.3	1.6

Source: Eldorado and Grant Samuel analysis

Significant non recurring items include the write down of the carrying value of São Bento in 2005, when it was determined that the ore zone would not continue at depth, thus reducing São Bento's mine life. This write down of approximately US\$18.9 million was offset by a US\$5.6 million gain from the sale of the Kaymaz and Kucukdere mine operating licences. Non recurring items in 2008 include a US\$72.5 million gain on the sale of the São Bento gold mine.

Outside equity interests relate to the 10% interest in Tanjianshan that Eldorado does not own.

Outlook

Eldorado has not publicly released earnings forecasts for the year ending 31 December 2009 or beyond. However, Eldorado has stated that it expects to produce 325,000 to 340,000 ounces of gold in the year ended 31 December 2009 at a cash operating costs of approximately \$300 per ounce. Eldorado has also forecast capital expenditure in 2009 to be approximately US\$115 million and exploration expenditures of US\$15 million.

³³ Numbers might not add due to rounding.

GRANT SAMUEL



Grant Samuel has had access only to public information in relation to Eldorado. In order to provide an indication of the expected future financial performance of Eldorado, Grant Samuel has considered brokers' forecasts for Eldorado, summarised as follows:

Eldorado – Broker Forecasts³⁴ (US\$ millions)					
	Year ending 31 December				
	2008 actual	2009 forecast	% Increase	2010 forecast	% Increase
Production	309	325	5%	376	16%
EBITDA	137	157	15%	198	26%

Source: Grant Samuel analysis (see Appendix 1).

The median consensus brokers' forecasts for Eldorado indicate a 5% increase in production in 2009, which is consistent with Eldorado's guidance, albeit at the lower end. Brokers' production forecasts range from 310,000 to 373,000 ounces in 2009.

Eldorado has never paid dividends, nor has it given any commitment to pay dividends in the future.

³⁴ Consensus forecasts based on median.

Annexure A

Independent Expert's Report

GRANT SAMUEL



5.3 Financial Position

The financial position of Eldorado as at 31 December 2008 and 30 June 2009 is summarised below:

Eldorado - Financial Position ³⁵ (US\$ millions)		
	As at 31 December 2008 actual	As at 30 June 2009 actual
Trade and other receivables	36.1	18.2
Inventories	87.0	104.2
Creditors, accruals and provisions	(42.7)	(44.0)
Other current assets/(liabilities)	42.7	12.6
Net working capital	123.1	91.0
Mining interests	668.3	691.3
Restricted assets and other	8.3	8.3
Other assets/(liabilities)	(4.8)	(5.0)
Future income taxes	(60.0)	(59.8)
Total funds employed	734.9	725.8
Cash and deposits	61.8	135.7
Restricted cash	-	5.5
Borrowings	(0.1)	(5.1)
Net cash/(borrowings)	61.7	136.1
Net assets	796.6	861.9
Outside equity interests	(4.8)	(5.8)
Equity attributable to Eldorado shareholders	791.8	856.1
<i>Statistics</i>		
<i>Net assets per share</i>	2.16	2.32
<i>Gearing³⁶</i>	<i>nm³⁷</i>	<i>nm</i>

Source: Eldorado and Grant Samuel analysis

Mining interests represent development expenditure and property plant and equipment at cost and include capitalised land and mineral acquisition costs. Restricted assets and other represents an environment guarantee deposit, restricted long term assets, accrued pension benefit asset and goodwill. The environment guarantee deposit is held on account with a Turkish bank pursuant to statutory requirements.

Other assets/(liabilities) represents the net present value of statutory, contractual or other legal obligations relating to site reclamation and restoration costs that might be incurred from the abandonment of mine or exploration sites.

Eldorado currently has two debt facilities:

- a US\$65 million term revolving credit facility with HSBC Bank USA with the holding company for Kışladağ and Efemçukuru. The facility expires in February 2010 but is currently undrawn; and
- a US\$15 million revolving credit facility with HSBC Bank China for the Tanjianshan project, which is subject to annual review. The next review will occur in November 2009. The facility was drawn to US\$5.1 million at 30 June 2009.

³⁵ Eldorado's financial accounts have been prepared in accordance with Canadian GAAP. Numbers might not add due to rounding.

³⁶ Gearing is net borrowings divided by net assets plus net borrowings.

³⁷ nm represents not meaningful.

GRANT SAMUEL



At 30 June 2009, Eldorado had net cash of US\$136.1 million. Restricted cash represents cash held on deposit as collateral against the HSBC Bank China loan.

5.4 Cash Flow

The cash flow of Eldorado for the four years ended 31 December 2008 and six months ended 30 June 2009 is summarised below:

Eldorado - Cash Flow ³⁸ (US\$ millions)					
	Year ended 31 December				6 mths ended 30 Jun 09
	2005 actual	2006 actual	2007 actual	2008 actual	
EBITDA	(28.5)	2.3	67.5	137.0	63.6
Non recurring items	(13.8)	(1.2)	5.9	70.3	1.6
Tax expense	(0.5)	(0.6)	(22.1)	(12.5)	(14.4)
Net interest expense	3.5	4.6	4.1	-	0.2
Add back non cash items	24.3	2.6	12.9	(71.1)	2.9
Change in working capital	4.5	(30.2)	1.5	(18.2)	8.7
Net cash flow from operations	(10.5)	(22.5)	69.8	105.5	62.6
Net mining interest investment	(89.2)	(93.3)	(96.4)	(111.3)	(38.8)
Marketable securities	0.7	-	(0.9)	5.3	36.4
Movement in restricted cash	(50.0)	(29.5)	5.5	71.5	(3.0)
Other	(8.8)	(7.6)	-	(3.8)	(1.9)
Net cash flows from investing	(147.3)	(130.4)	(91.8)	(38.3)	(7.3)
New equity (net of costs)	7.2	164.1	9.5	14.7	13.6
Proceeds/(repayment) of bank loans	49.0	15.0	(1.5)	(65.8)	5.0
Dividend paid to non controlling entity	-	-	-	(0.3)	-
Net cash flow from financing	56.2	179.1	8.0	(51.4)	18.6
Net cash generated (used)	(101.6)	26.2	(14.0)	15.8	73.9
Cash (excluding restricted cash) – opening	135.4	33.8	60.0	46.0	61.8
Cash (excluding restricted cash) – closing	33.8	60.0	46.0	61.8	135.7

Source: Eldorado and Grant Samuel analysis

Eldorado has made a net investment of US\$429 million over the last four and half years in acquiring and developing mines. This has been funded, in the main, from operating cash flows and new equity.

5.5 Capital Structure and Ownership

As at 6 October 2009, Eldorado had the following securities on issue:

- 400,165,675 common shares listed on the TSX (primary) and NYSE Amex (secondary); and
- 10,970,519 options over unissued shares.

³⁸ Eldorado's financial accounts have been prepared in accordance with Canadian GAAP. Numbers might not add due to rounding.

Annexure A

Independent Expert's Report

GRANT SAMUEL



The key terms of the options are summarised in the following table:

Eldorado – Options on Issue as at 30 June 2009 ³⁹ (CS)					
Range of Exercise Price	Issued Options			Exercisable Options	
	Number	Remaining Contractual Life (years) ⁴⁰	Exercise Price ⁴¹	Number	Exercise Price ⁴²
3.00-3.99	132,000	0.8	3.47	132,000	3.47
4.00-4.99	4,597,075	4.3	4.88	746,407	4.88
5.00-5.99	761,807	2.5	5.38	502,626	5.47
6.00-6.99	2,242,800	3.6	6.44	1,280,125	6.44
7.00-7.99	2,565,837	2.9	7.20	2,325,170	7.13
9.00-9.99	641,000	4.7	9.53	268,999	9.61
11.00-11.99	30,000	4.8	11.40	10,000	11.40
	10,970,519	3.7	6.05	5,265,327	6.53

Source: Eldorado

Eldorado has two share option plans as described below:

- Employee Plan – options are issued to employees, advisers and consultants which have a maximum term of five years and typically vest in three separate tranches over two years; and
- Directors and Officers Plan (“D&O Plan”) – options are issued to Directors and Officers under the D&O Plan have a maximum term of five years and typically vest in three separate tranches over two years.

At 30 September 2009 Eldorado had 651 registered shareholders. Eldorado’s major shareholders accounted for approximately 39.4% of the ordinary shares on issue:

Eldorado - Major Shareholders as at 30 September 2009		
	Number of Shares	Percentage
Fidelity Management	40,288,335	10.1%
Blackrock Investment Management (UK) Ltd. and Blackrock Financial Management, Inc.	32,578,936	8.1%
Van Eck Associates Company	18,828,916	4.7%
Goodman & Co Investments	12,105,730	3.0%
Pyramis Global Advisors	11,573,000	2.9%
Barclays Global Investments	11,450,400	2.9%
RBC Asset Management	9,567,552	2.4%
Jennison Associates Limited	7,482,540	1.9%
Wells Capital Management	7,362,188	1.8%
USAA Investment Management Co	6,540,001	1.6%
Subtotal - Top 10 shareholders	157,777,598	39.4%
Other shareholders	242,388,077	60.6%
Total	400,165,675	100.0%

Source: Eldorado

³⁹ Numbers might not add due to rounding.

⁴⁰ Weighted average.

⁴¹ Weighted average.

⁴² Weighted average.

GRANT SAMUEL



Eldorado had three substantial shareholders (shareholders holding more than 5% of the Eldorado shares on issue) as at 6 October 2009:

Eldorado – Substantial Shareholders as at 6 October 2009			
Shareholder	Date of Notice	Number of Shares	Percentage
Fidelity Management & Research	Feb 2009	51,861,335	12.9%
BlackRock Investment Management (UK) Ltd and Blackrock Financial Management, Inc.	-	32,517,188	8.1%
Van Eck Associates Corporation	-	24,137,420	6.0%

Source: Eldorado

Note: Shareholders of reporting issuers under Canadian securities laws applicable to Eldorado are not required to file Early Warning Reports or Insider Reports until they have an interest of over 10%.

Fidelity Management & Research's interest in the above table includes Pyramis Gold Advisors which is a managed fund under the umbrella of Fidelity Management & Research. Gold Fields Australia (BVI) Limited is no longer a shareholder of Eldorado but it may receive shares in the future under the top up terms of the July 2009 transaction whereby Eldorado acquired 19.8% of the issued shares of Sino Gold from Gold Fields.

5.6 Share Price Performance

A summary of the price and trading history of Eldorado since 1 January 2005 on TSX is set out below:

Eldorado - Share Price History				
	Share Price (C\$)			Average Weekly Volume (000's)
	High	Low	Close	
Year ended 31 December				
2005	5.95	2.55	5.69	7,177
2006	7.02	4.32	6.31	14,791
2007	7.60	3.79	5.83	15,427
2008	9.78	3.44	9.65	14,506
Quarter ended				
31 March 2009	11.90	8.07	11.40	20,901
30 June 2009	11.67	8.68	10.48	16,313
30 September 2009	13.09	9.23	12.16	23,602
Month ended				
30 June 2009	11.22	8.83	10.48	14,977
31 July 2009	10.84	9.23	10.80	13,104
31 August 2009	12.37	10.85	11.30	19,658
30 September 2009	13.09	10.74	12.16	38,043

Source: Bloomberg

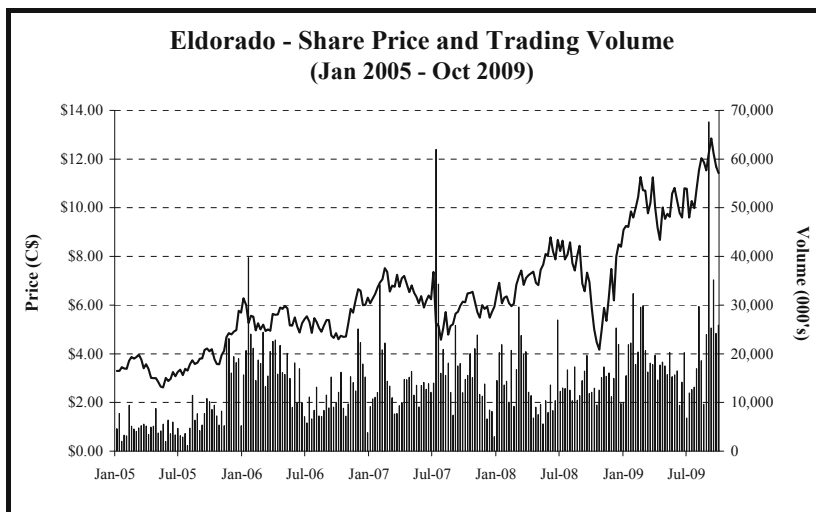
Annexure A

Independent Expert's Report

GRANT SAMUEL



The following graph illustrates the weekly movement in the Eldorado share price and trading volumes since 1 January 2005 on the TSX:



Source: Bloomberg

Eldorado's share price has increased significantly since 1 January 2005, reflecting the increase in Eldorado's production and reserves over this period. Between February 2007 and August 2007 Eldorado's share price fell from C\$7.37 to a low of C\$3.79. Over this period, production at the Kışladağ gold mine in Turkey was suspended due to an injunction resulting from a dispute concerning environmental permits for the mine. The share price recovered from August 2007, despite production not recommencing until March 2008.

Eldorado's share price increased to \$8.58 in July 2008 and the fell to a low of C\$3.44 in October 2008, as global equity markets fell sharply in response to the global financial crisis. Since October 2008 the Eldorado share price has rebounded strongly to recent prices of up to C\$13.00, reflecting the recovery in global equity markets and the strengthening gold price.

On 25 August 2009, the day prior to the announcement of the Proposals, Eldorado's share price was C\$11.96. Eldorado's VWAP prior to 25 August 2009 is summarised as follows:

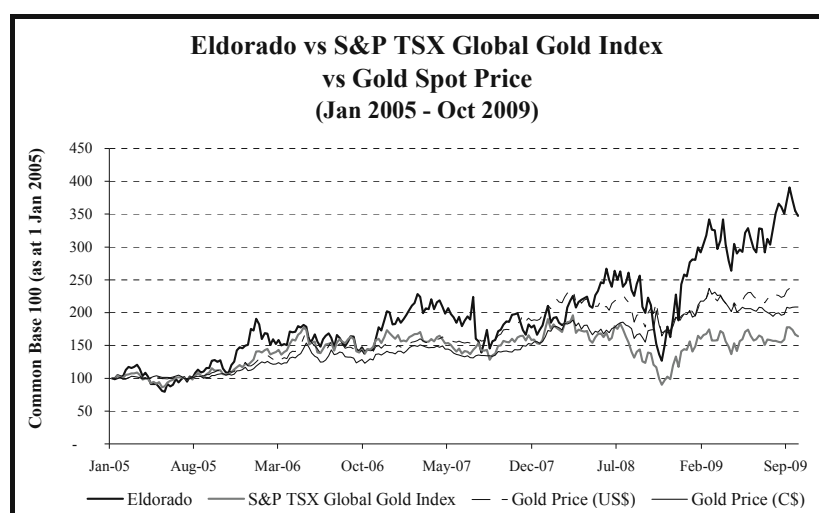
Eldorado – VWAP	
Period	VWAP
1 Day	C\$11.91
5 Day	C\$11.80
1 Month	C\$11.36
3 Month	C\$10.63

Source: Bloomberg

GRANT SAMUEL



Eldorado is a member of various indices including the S&P TSX Global Gold Index, the S&P TSX Gold Index and AMEX Gold Bugs Index. At 28 September 2009 its weighting in these indices was approximately 2.4%, 3.7% and 4.9% respectively. The following graph illustrates the performance of Eldorado shares since January 2005 relative to the S&P TSX Global Gold Index and gold price:



Source: Bloomberg

Eldorado's share price has outperformed the S&P TSX Global Gold Index and the US dollar gold price over the period although Eldorado's share price has exhibited a higher level of volatility which compared to these other benchmarks. Since the end of October 2008, Eldorado's share price has significantly outperformed the benchmarks.

5.7 Assets

5.7.1 Kişladağ

Overview

Eldorado has a 100% interest in the Kişladağ gold mine, situated in the Uşak province in Turkey. Kişladağ is located 180 kilometres from Izmir and 350 kilometres south west of Ankara. Kişladağ sits on the western edge of the Anatolian Plateau, in gentle rolling topography at an elevation of approximately 1,000 meters.

The Kişladağ gold mine is the largest gold mine in Turkey and began commercial production in July 2006. Kişladağ is a low grade, bulk tonnage open pit operation using standard heap leach technology for gold recovery, with a remaining mine life of 11 years. A feasibility engineering study to optimize Kişladağ's production is currently being undertaken with results anticipated in the fourth quarter of 2009, following completion of an optimisation study in April 2009.

Geology and Mineralisation

Gold mineralization is hosted by a number of latitic intrusive bodies. The Gökğöz Tepe alteration zone hosting the Kişladağ deposit covers approximately 12 square kilometres. At Gökğöz, a coarsely porphyritic latite is host to the bulk of the gold mineralization and has undergone extensive and intensive hydrothermal alteration. Gold mineralization forms an annular zone around a later weakly mineralized stock of similar composition. Gold is

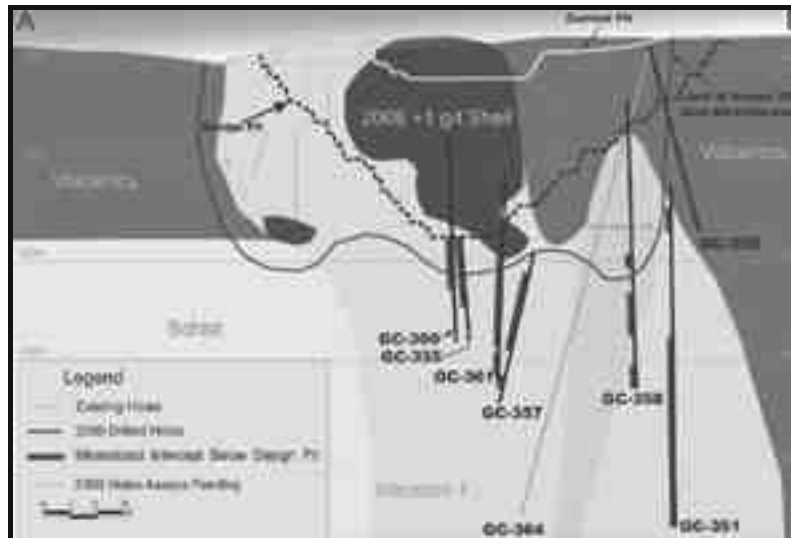
Annexure A

Independent Expert's Report

GRANT SAMUEL



associated with multiple phases of tourmaline-pyrite, pyrite and quartz-pyrite veining and brecciation and is accompanied by small amounts of base metals, principally zinc and molybdenum. Oxidation in the deposit is shallow over the barren intrusive but extends to depths of 40-50 meters to the west and east. A cross section of the Kışladağ deposit is illustrated below:



Source: Eldorado

Mining & Processing

Kışladağ exploits a single mineralised system from an open pit. Since September 2008, Kışladağ has utilised a fleet of owner operated 150 tonne haul trucks and loading equipment. Prior to September 2008 all mining was undertaken by a local contractor. The installation of a second line of crushers in 2007 increased production from 5 million tonnes per annum to 10 million tonnes per annum. The strip ratio over the mine's life is projected to be 1.08:1.

The Kışladağ ore is processed in a standard heap leach facility containing a three-stage crushing circuit, an overland conveyor to the heap leach pad, mobile conveyors and a carbon adsorption facility for recovering the gold. The carbon is treated on-site in a refinery and the final mine product is gold doré bar. Treatment recovery rates are currently running at approximately 80% for oxide and 60% for sulphide ore.

GRANT SAMUEL

**Reserves and Resources**

Kişladağ Resources and Reserves (100%) as at 31 December 2008 are summarised as follows

Kişladağ - Resources and Reserves as at 31 December 2008⁴³			
	Tonnes (Mt)	Average Grade (g/t)	Contained Gold (000 oz)
Resources⁴⁴			
Measured	72.8	1.04	2,432
Indicated	207.1	0.82	5,430
Measured and indicated	279.9	0.88	7,862
Inferred	126.9	0.63	2,552
Reserves⁴⁵			
Proved	67.7	1.08	2,353
Probable	93.8	1.05	3,170
Total Reserves	161.5	1.06	5,523

Source: Eldorado

Note: The assumptions and methodologies relating to the numbers in the above table are set out in section 4.6 of the Scheme Booklet

⁴³ Mineral Reserve, Proven Mineral Reserve and Probable Mineral Reserve used are Canadian mining terms as defined in accordance with National Instrument 43-101 – Standards of Disclosure of Mineral Projects under the guidelines set out in the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Standards on Mineral Resources and Mineral Reserves, adopted by the CIM Council on August 20, 2000.

The terms Mineral Reserve, Measured Mineral Resource, Indicated Mineral Resource, Inferred Mineral Resource used are Canadian mining terms as defined in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects under the guidelines set out in the CIM Standards. Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability.

⁴⁴ Resources are based on a cut-off grade of 0.4g/t. The number of contained ounces does not indicate the ounces that will be ultimately recovered. The resources reflect a gold price assumption of US\$725 per ounce.

⁴⁵ Reserves have been calculated using a cut off grade of 0.35g/t oxide and 0.5g/t sulphide. The reserves reflect an assumed life-of-mine gold price of US\$725 per ounce.

Annexure A

Independent Expert's Report

GRANT SAMUEL



Operating Performance

Kişladağ's operating performance in the three and half years to 30 June 2009 is summarised in the table below:

	Year ended 31 December			6 mths ended 30 Jun 09 ⁴⁶
	2006	2007	2008	
Months of production	6	7½	10	6
Tonnes to pad (000's tonnes)	5.2	4.5	7.6	4.5
Head gold grade (g/t)	1.18	1.33	1.27	1.26
Gold produced (ounces)	70,895	135,306	190,334	109,177
Cash costs (US\$/oz gold)				
Cash operating costs	206	189	254	271
Total cash costs	208	192	256	273
Gold sold (ounces)	63,352	142,725	185,425	110,696
Price realised (US\$/oz)	619	660	871	918

Source: Eldorado

Kişladağ commenced commercial production in July 2006. On 18 August 2007, mining was suspended at Kişladağ due to a court injunction. Mining recommenced on 6 March 2008. In 2009, production is expected to increase by approximately 40,000 to 50,000 ounces from 2008 as a result of operating Kişladağ for a full year.

In April 2009, Eldorado completed an internal study that identified opportunities to increase production by 75,000 to 100,000 ounce per annum and reduce unit costs to approximately \$250-275 per ounce from 2011. This study forms the basis of the feasibility engineering study that is anticipated to be completed in the fourth quarter of 2009.

The court injunction related to litigation filed in 2004 by third parties seeking to cancel Kişladağ's Environmental Positive Certificate ("EPC") on the basis of an alleged threat to the environment. The litigation surrounding the EPC and related Environmental Impact Assessment ("EIA") Report is continuing. The matter has been referred to the Lower Administrative Court, which has named an expert panel to review the EIA Report. Eldorado continues to believe that ultimately such litigation shall be successfully defended. If Eldorado is unsuccessful in defending this litigation, its ability to conduct mining operations at Kişladağ may be adversely affected, which may in turn adversely affect production and revenue from Kişladağ.

5.7.2 Tanjianshan

Overview

Eldorado has a 90% interest in the Tanjianshan mine in the Qinghai Province of north-west China. Tanjianshan is located 265km south of Dunhuang and 260km north of Ge'ermu. Other joint venture participants are the Qinghai Number One Geological Brigade (5%) and the Dachaidan Gold Mine (5%). Eldorado acquired an 85% interest in September 2005 through the acquisition of Afcan. Eldorado increased its interest to 90% by fulfilling certain capital expenditure provisions of the joint venture arrangements.

⁴⁶ Grade and cost operating statistics for the 6 months ended 30 June 2009 have been calculated based on the weighted average of the quarters ended 31 March 2009 and 30 June 2009.

GRANT SAMUEL

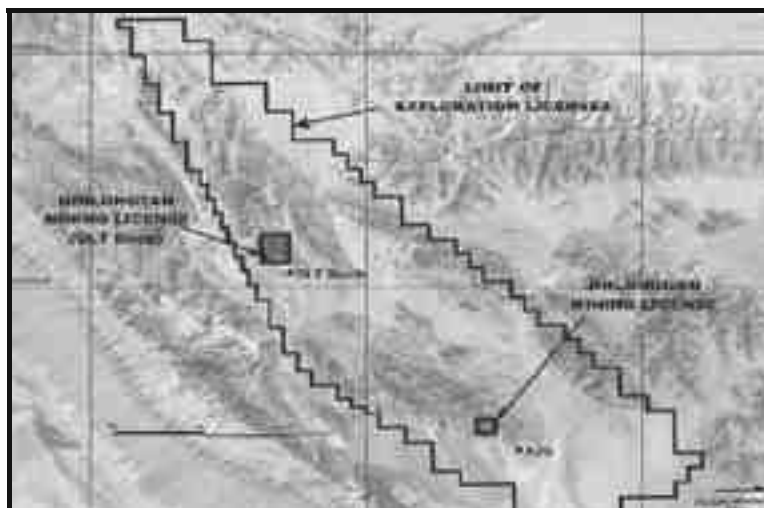


The Tanjianshan gold mine began commercial production in February 2007 but the sulphide circuit was commissioned at the end of 2008. Tanjianshan utilises conventional open pit mining methods and a flotation, roasting and CIL circuit for processing. Tanjianshan has a remaining mine life of 7 years.

Geology and Mineralisation

The Tanjianshan project covers an area of 338 square kilometres and comprises principally two defined gold deposits, the Jinlonggou and Qinlongtan deposits, located in two separate mining licences, and four contiguous exploration licences.

Tanjianshan's exploration and mining licences are shown on the following map:



Source: Eldorado

Gold within the Qinlongtan deposit occurs mainly as non-refractory fine grained free gold, associated with pyrite. The Qinlongtan deposit is located within a dipping shear zone, typically 5-10 meters wide, which cuts across a sequence of phyllites and marbles and is open at depth.

Mineralisation at the Jinlonggou deposit is mainly associated with pyrite and is refractory. The deposit's surface mineralisation is dominantly controlled by steeply dipping, north-east trending shear zones within carbonaceous phyllites. At depth and in the eastern part of the deposit, mineralisation is associated with sub-horizontal diorite porphyry sills.

Mining and Processing

All ore and waste are mined by way of conventional open pit mining methods using a combination of owner operated and contract equipment. The operation has mined two open pits:

- the Qinlongtan pit, which contained higher grade oxide ore and was completed in the first half of 2008; and
- the Jinlonggou pit, which contains sulphide ore and commenced mining in mid 2008.

The Qinlongtan material is processed through a crushing, milling and classification circuit before being fed through a conventional CIL circuit. The tailings are floated with the

Annexure A

Independent Expert's Report

GRANT SAMUEL



sulphide material removed for subsequent treatment. The sulphide containing Jinlonggou material is either treated through the conventional CIL circuit if the sulphide content is low or the material is fed through a flotation circuit and then dewatered. The combined flotation concentrate is then blended for an optimal sulphur grade before being fed through the two-stage roasting circuit. After roasting, the oxidised material is treated through the CIL circuit.

Reserves and Resources

Tanjianshan Resources and Reserves (100% basis) as at 31 December 2008 are summarised as follows:

100% Tanjianshan - Resources and Reserves as at 31 December 2008⁴⁷			
	Tonnes (Mt)	Average Grade (g/t)	Contained Gold (000's oz)
Resources⁴⁸			
Measured	7.0	3.34	751
Indicated	2.9	2.76	261
Measured and indicated	9.9	3.17	1,012
Inferred	3.5	3.54	398
Reserves⁴⁹			
Proved	5.6	3.77	680
Probable	1.2	3.71	137
Total Reserves	6.8	3.76	817

Source: Eldorado

Note: The assumptions and methodologies relating to the numbers in the above table are set out in section 4.6 of the Scheme Booklet

Eldorado is currently testing exploration targets beneath the Qinlongtan pit and is exploring the alluvial cover between the Qinlongtan and Jinlonggou deposits.

⁴⁷ Mineral Reserve, Proven Mineral Reserve and Probable Mineral Reserve used are Canadian mining terms as defined in accordance with National Instrument 43-101 – Standards of Disclosure of Mineral Projects under the guidelines set out in the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Standards on Mineral Resources and Mineral Reserves, adopted by the CIM Council on August 20, 2000.

The terms Mineral Resource, Measured Mineral Resource, Indicated Mineral Resource, Inferred Mineral Resource used are Canadian mining terms as defined in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects under the guidelines set out in the CIM Standards. Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability.

⁴⁸ Resources are based on a cut-off grade of 1.0g/t. The number of contained ounces does not indicate the ounces that will be ultimately recovered. The resources reflect a gold price assumption of US\$725 per ounce.

⁴⁹ Reserves have been calculated using a cut off grade of 1.3g/t for JLG oxide and 1.64g/t for JLG sulphide. The reserves reflect an assumed life-of-mine gold price of US\$725 per ounce.

GRANT SAMUEL

**Operating Performance**

Tanjianshan's operating performance in the two and half years to 30 June 2009 is summarised in the table below:

	Tanjianshan – Operating Statistics		
	Year ended 31 December		6 mths ended 30 Jun 09
	2007	2008	
Ore milled (000's tonnes)	757,354	858,829	459,940
Head gold grade (g/t)	6.23	5.31	4.81
Gold produced (ounces)	125,670	118,468	36,821
Cash costs (US\$/oz gold)			
Cash operating costs	288	261	378
Total cash costs	342	343	454
Gold sold (ounces)	112,646	131,493	33,216
Price realised (US\$/oz)	694	884	926

Source: Eldorado

Commercial production began on 1 February 2007. Production for 2008 was marginally lower than for 2007, reflecting a fall in head grades. Production in the first quarter of 2009 was significantly lower as transition and sulphide stockpile material built up during prestripping was processed. Eldorado is targeting production at Tanjianshan to decrease in 2009 by approximately 20,000 ounces from the 2008 total of 118,468 ounces. The decrease relates to a reduction in production in the first quarter 2009 from the commissioning of the sulphide ore processing facility.

5.7.3 Efemçukuru

Eldorado has a 100% interest in the Efemçukuru project in Izmir, Turkey, approximately 20 kilometres from the city of Izmir. Efemçukuru is a high grade epithermal gold deposit currently under development as an underground mine. Construction began in the second quarter of 2008 and first production is forecast in late 2010. Total development costs are estimated at US\$142 million.

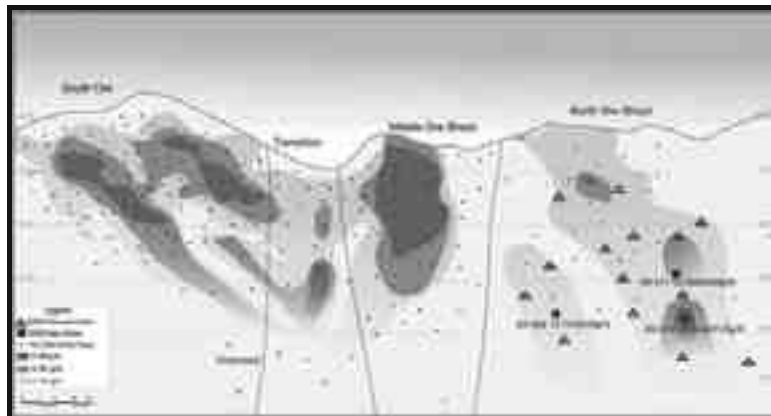
The project's development is based on a feasibility study completed in 2007. This study defined a mine life of 9.4 years. Ore will be processed through a mill and concentrate flotation circuit on site and the flotation concentrate will be transported to Kisladag.

The Efemçukuru deposit is located in a low sulphidation epithermal vein system. Gold mineralization is contained in steeply dipping vein structures of quartz and quartz rhodinite hosted by altered hornfelds and phyllites. Gold is fine grained occurring as free grains in quartz and rhodinite gangue and locked grains in pyrite, chalcopyrite and sphalerite. The mineralised zone forms three distinct shoots varying in width from 1-27 meters and open at depth.

Annexure A

Independent Expert's Report

GRANT SAMUEL



Source: Eldorado

The underground mine will have opposing portals at each end of the deposit. The operation will employ mechanized cut and fill and long hole open stoping methods with consolidated backfill. Crushed ore will be transferred from underground via a conveyor to the process plant on surface.

Ore will be processed through a SAG/ball mill grinding circuit followed by gravity separation and flotation. Concentrate will be shipped to the Kışladağ gold mine for further processing and recovery of gold. Tailings will be filtered on site to recover water, producing a dry stack tailing for surface disposal and paste backfill for underground mine support.

GRANT SAMUEL



Efemçukuru Resources and Reserves as at 31 December 2008 are summarised as follows:

Efemçukuru - Resources and Reserves as at 31 December 2008⁵⁰			
	Tonnes (Mt)	Average Grade (g/t)	Contained Gold (000's oz)
Resources⁵¹			
Measured	1.2	13.80	548
Indicated	3.7	8.39	993
Measured and indicated	4.9	9.75	1,541
Inferred	2.1	9.95	675
Reserves⁵²			
Proved	1.3	11.89	505
Probable	2.5	9.04	716
Total Reserves	3.8	10.04	1,221

Source: Eldorado

Note: The assumptions and methodologies relating to the numbers in the above table are set out in section 4.6 of the Scheme Booklet

Mine plan and reserves are expected to be updated in the fourth quarter of 2009.

5.7.4 Perama Hill

Eldorado has a 100% interest in the Perama Hill project in Thrace, Greece. The project is located 30 kilometres northwest of Alexandroupolis and 20 kilometres south of Sappes in northern Greece. Eldorado acquired the Perama Hill project in 2008 through the acquisition of Frontier Pacific Mining Corporation.

The property consists of two mining titles covering an area of 1,897 hectares and two mining exploration licences covering an area of 1,762.7 hectares. The ore body is a shallow oxide gold deposit with a very low strip ratio of around 0.4:1. A feasibility study completed in 2000 envisioned an open pit mine followed by conventional CIL treatment.

⁵⁰ Mineral Reserve, Proven Mineral Reserve and Probable Mineral Reserve used are Canadian mining terms as defined in accordance with National Instrument 43-101 – Standards of Disclosure of Mineral Projects under the guidelines set out in the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Standards on Mineral Resources and Mineral Reserves, adopted by the CIM Council on August 20, 2000.

The terms Mineral Resource, Measured Mineral Resource, Indicated Mineral Resource, Inferred Mineral Resource used are Canadian mining terms as defined in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects under the guidelines set out in the CIM Standards. Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability.

⁵¹ Resources are based on a cut-off grade of 3.0g/t. The number of contained ounces does not indicate the ounces that will be ultimately recovered. The resources reflect an assumed life-of-mine gold price assumption of US\$530 per ounce.

⁵² Reserves have been calculated using a cut off grade of 4.5g/t. The reserves reflect an assumed life-of-mine gold price of US\$530 per ounce.

Annexure A

Independent Expert's Report

GRANT SAMUEL



Perama Hill Resources as at 31 December 2008 are summarised as follows:

Perama Hill – Resources as at 31 December 2008 ⁵³			
	Tonnes (Mt)	Average Grade (g/t)	Contained Gold (000's oz)
Resources⁵⁴			
Measured	-	-	-
Indicated	11.7	3.62	1,363
Measured and indicated	11.7	3.62	1,636
Inferred	8.7	1.96	552

Source: Eldorado

Note: The assumptions and methodologies relating to the numbers in the above table are set out in section 4.6 of the Scheme Booklet

The project is currently undergoing further review and progressing through the regulatory approval process. The permitting process which commenced in 2000 has been interrupted by various legal proceedings. In particular, in mid 2008 the Environmental Impact Study submitted in 2000 was determined to be null and void. Eldorado plans to submit a new submission for an environmental application process in 2009. Construction is not expected to commence before 2011.

5.7.5 Vila Nova

Following the acquisition of DSI Consult & Mineração Amapari's 25% interest in Vila Nova in August 2009, Eldorado now owns a 100% interest in the Vila Nova iron ore project in Amapá, Brazil. It is located 175 kilometres west of Macapá, the capital of the Amapá State in north eastern Brazil.

The project comprises a standard open pit mine operation utilising hydraulic excavators and highway-type haul trucks with conventional rock boxes. A beneficiation process is used to produce lump ore and sinter feed products for shipping out of Santana Port. Vila Nova has a mine life of approximately 9 years.

⁵³ Mineral Reserve, Proven Mineral Reserve and Probable Mineral Reserve used are Canadian mining terms as defined in accordance with National Instrument 43-101 – Standards of Disclosure of Mineral Projects under the guidelines set out in the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Standards on Mineral Resources and Mineral Reserves, adopted by the CIM Council on August 20, 2000.

The terms Mineral Resource, Measured Mineral Resource, Indicated Mineral Resource, Inferred Mineral Resource used are Canadian mining terms as defined in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects under the guidelines set out in the CIM Standards. Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability.

⁵⁴ Resources are based on a cut-off grade of 3.0g/t. The number of contained ounces does not indicate the ounces that will be ultimately recovered. The resources reflect a gold price assumption of US\$350 per ounce.

GRANT SAMUEL



Vila Nova Reserves and Resources as at 31 December 2008 are summarised as follows:

Vila Nova – Resources and Reserves as at 31 December 2008 ⁵⁵		
	Tonnes (Mt)	Average Grade (%)
Resources		
Measured	2.3	63.5
Indicated	7.7	61.0
Measured and indicated	10.0	61.6
Inferred	2.0	61.2
Reserves		
Proved	2.3	63.5
Probable	7.0	60.2
Total Reserves	9.3	61.0

Source: Eldorado

All licences have been granted, and construction and commissioning of the process circuit were completed in the second quarter of 2009. Since then the project has been placed on care and maintenance due to weak global demand for iron ore.

5.7.6 Tocantinzinho

On 9 July 2008, Eldorado signed an option agreement with Brazauro Resources Corporation in relation to the Tocantinzinho gold deposit in Tapajos, north central Brazil. Eldorado can earn up to a 75% interest in Tocantinzinho by undertaking \$9.5 million of exploration and development expenditures over 2 years, and by paying Brazauro \$90 million plus a production decision fee of up to \$10 million. As part of the transaction, Eldorado also agreed to subscribe for 8.8 million units of Brazauro at a price of C\$0.95. Each unit consisted of one common share and one warrant which entitled Eldorado to acquire on half of one common share at a price of C\$1.30 per share for a period of 18 months. The warrants were subsequently re-priced at \$1.00 per share and extended to January 2011.

Eldorado is operator of the project and is currently undertaking an exploration program and the results to date confirm expected grades and extent in areas tested.

5.7.7 Exploration

Eldorado has exploration activities in Brazil, Turkey and China. Exploration activities in Turkey have focused on the Sayacik project adjacent to Kisladag and central and eastern Pontide regions of Turkey. In Brazil exploration is concentrated at Tocantinzinho, in China at Tanjianshan and at Perama Hill in Greece. In addition, Eldorado has a joint venture with AuEx in Nevada, United States.

⁵⁵ Mineral Reserve, Proven Mineral Reserve and Probable Mineral Reserve used are Canadian mining terms as defined in accordance with National Instrument 43-101 – Standards of Disclosure of Mineral Projects under the guidelines set out in the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Standards on Mineral Resources and Mineral Reserves, adopted by the CIM Council on August 20, 2000.

The terms Mineral Resource, Measured Mineral Resource, Indicated Mineral Resource, Inferred Mineral Resource used are Canadian mining terms as defined in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects under the guidelines set out in the CIM Standards. Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability.

Annexure A Independent Expert's Report

GRANT SAMUEL

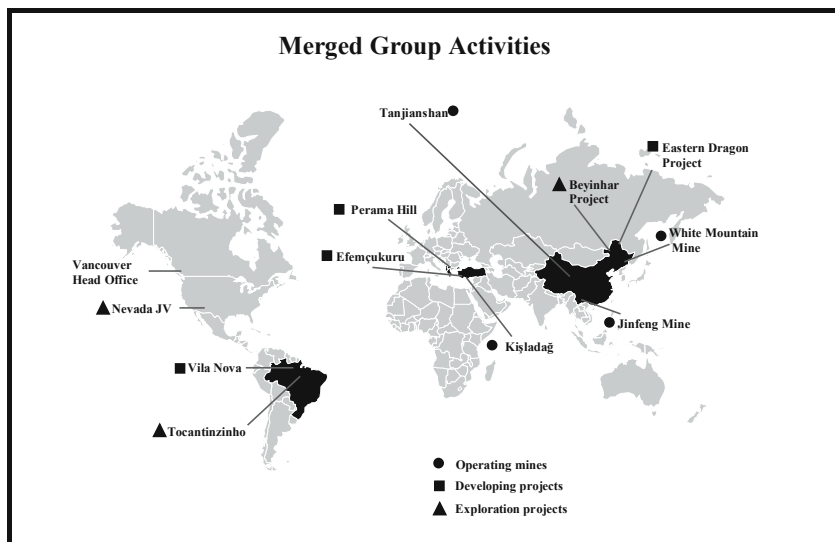


6 Profile of the Combined Group

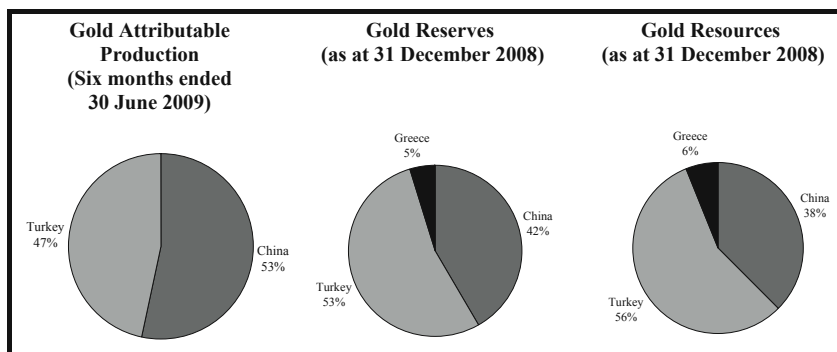
6.1 Overview

The combination of Sino Gold and Eldorado ("Combined Group") will create an intermediate global gold producer with combined forecast production of over 600,000 ounces (based on broker consensus), gold reserves of 11.8 million ounces and gold resources of 22.9 million ounces (all equity share).

The Combined Group's activities are located on the following map:



The Combined Group's activities will be located throughout the world but primarily in Turkey and China:



GRANT SAMUEL



6.2 Financial Performance

The pro forma financial performance of the Combined Group for the six months ended 30 June 2009 in accordance with Canadian GAAP is summarised as follows:

Combined Group - Pro Forma Financial Position (US\$ millions)						
	Sino Gold				Eldorado Actual	Merged Group
	AS	US\$	Adjust	Pro Forma		
Production (Moz)	104.5	104.5		104.5	146.0	250.5
Sales volumes (Moz)	108.7	108.7		108.7	143.9	252.6
Sales revenue	139.9	99.6		99.5	132.4	231.9
Other revenue	5.5	3.9		3.9	0.2	4.1
Total revenue	145.3	103.5		103.5	132.5	236.0
Operating costs	(69.6)	(49.6)	(9.3)	(58.9)	(46.9)	(105.8)
Corporate costs	(3.1)	(2.2)	(2.9)	(5.1)	(16.7)	(21.8)
Other costs	(6.2)	(4.4)	(0.8)	(5.2)	(5.4)	(10.6)
EBITDA	66.3	47.2	(13.0)	34.2	63.6	97.8
Depreciation and amortisation (excluding goodwill)	(18.2)	(13.0)		(13.0)	(11.0)	(24.0)
EBIT	48.1	34.2	(13.0)	21.2	52.6	73.8
Net interest expense	(3.0)	(2.2)	0.7	(1.5)	0.2	(1.2)
Hedging	(18.8)	(13.4)		(13.4)		(13.4)
Non-recurring items	-	-		-	1.6	1.6
Operating profit before tax	26.3	18.7	(12.3)	6.4	54.4	60.8
Income tax expense	(11.0)	(7.8)		(7.8)	(14.4)	(22.2)
Operating profit after tax	15.3	10.9	(12.3)	(1.4)	40.0	38.6
Outside equity interests	(2.7)	(1.9)		(1.9)	(1.0)	(2.9)
Profit after tax attributable to shareholders	12.6	9.0	(12.3)	(3.3)	39.0	35.6

Source: Scheme Booklet and Grant Samuel analysis

Annexure A

Independent Expert's Report

GRANT SAMUEL



6.3 Financial Position

The pro forma financial position of the Combined Group as at 30 June 2009 in accordance with Canadian GAAP is summarised as follows:

Combined Group - Pro Forma Financial Position (US\$ millions)							
	Sino Gold				Eldorado Actual	Scheme Adjust	Merged Group
	AS	US\$	Adjust	Pro Forma			
Trade and other receivables	4.6	3.8	-	3.8	18.2		22.0
Inventories	29.8	24.2	-	24.2	104.2		128.4
Trade creditors and provisions	(80.7)	(65.5)	1.5	(64.0)	(44.0)		(108.0)
Other current assets/(liabilities)	16.6	13.5	-	13.5	12.6		26.0
Net working capital	(29.7)	(24.1)	1.5	(22.6)	91.0		68.5
Mining interests	821.2	665.6	(53.3)	612.3	691.3	270.4	1,574.0
Other assets	(24.0)	(19.4)	-	(19.4)	3.3	1,071.3	1,055.2
Deferred tax assets/(liabilities)	(7.1)	(5.7)	(7.3)	(13.0)	(59.8)	(69.9)	(142.7)
Net capital employed	760.5	616.4	(59.1)	557.3	725.8	1,271.8	2,554.9
Cash	122.5	99.4	-	99.4	135.7	(30.0)	205.1
Restricted cash	61.6	50.0	-	50.0	5.5		55.5
Total borrowings	(219.7)	(178.2)	-	(178.2)	(5.1)		(183.3)
Net debt	(35.6)	(28.8)	-	(28.8)	136.1	(30.0)	77.3
Net assets	724.9	587.5	(59.1)	528.4	861.9	1,241.8	2,632.2
Outside equity interests	(32.3)	(23.9)	-	(23.9)	(5.8)		(29.7)
Total equity	692.6	563.6	(59.1)	504.5	856.1	1,241.8	2,602.4
<i>Shares on issue at period end (million)</i>	292.6	292.6		292.6	400.2	131.1	531.3
<i>Net assets per share</i>	2.48	2.01		1.81	2.15		4.95
<i>Gearing</i>	4.7%	4.7%		5.2%	(18.8)%		(3.0)%

Source: Scheme Booklet and Grant Samuel analysis

GRANT SAMUEL



7 Valuation of Sino Gold

7.1 Summary

Grant Samuel has valued Sino Gold in the range US\$1,536-1,740 million which corresponds to a value of \$5.98-6.76 per share at an exchange rate of A\$1.00 = US\$0.873. The valuation represents the estimated full underlying value of Sino Gold assuming 100% of the company was available to be acquired and includes a premium for control. The value exceeds the price at which, based on current market conditions, Grant Samuel would expect Sino Gold shares to trade on the ASX in the absence of a takeover offer.

The value for Sino Gold is the aggregate of the estimated market value of Sino Gold's operating business and other assets less external borrowings and non-trading liabilities. The valuation is summarised below:

Sino Gold - Valuation Summary ⁵⁶					
	Report Section Reference	Value Range			
		US\$ million		A\$ million	
		Low	High	Low	High
Jinfeng (82% interest)	7.3	1,066	1,148	1,221	1,315
White Mountain (95% interest)	7.4	228	276	261	316
Eastern Dragon (95% interest)	7.5	290	325	332	372
Beyinhar (95% interest)	7.6	5	14	5	16
Exploration	7.6	5	15	6	17
Head office costs (net of savings)	7.7	(50)	(30)	(57)	(34)
Enterprise Value		1,544	1,748	1,768	2,002
Net receivables	7.8	6	6	7	7
Sino Gold's share of debt	7.9	(157)	(157)	(179)	(179)
Sino Gold's share of cash	7.9	144	144	165	165
Value of equity		1,536	1,740	1,760	1,993
Shares on issue (millions)				292.6	292.6
Value per share				6.01	6.81
Value per share fully diluted for options				5.98	6.76

The valuation reflects the following factors:

- Sino Gold (including its predecessor) has been operating in China for over ten years and is the largest foreign gold company with significant operations in China. During that time, it has successfully brought into production three gold mines and is expecting to shortly commence development of the Eastern Dragon mine. Sino Gold's Jinfeng gold mine is the second largest in China and a significant mine by world standards. In particular, Sino Gold;
 - has developed good commercial relationships with a number of mining contractors within China that allow it to successfully complete developments at costs and within timeframes that are very competitive by world standards;
 - has extensive experience in operating within the administrative regimes of the various levels of government in China and proven ability to develop projects to meet both Chinese regulatory requirements and international standards; and
 - has established relationships, technical and management skills and credibility in the Chinese gold sector which should create opportunities for it to grow its business through resource acquisition and expansion.

⁵⁶ Numbers might not add due to rounding.

Annexure A

Independent Expert's Report

GRANT SAMUEL



These factors all suggest that Sino Gold has developed a significant strategic “first mover advantage” in the Chinese gold sector. While difficult to value in precise terms, this first mover advantage clearly has value for Sino Gold shareholders;

- Sino Gold's short term production growth will come from the relatively high grade, low cost Eastern Dragon mine. Despite the fact that Eastern Dragon is expected to be extremely profitable, Sino Gold's Jinfeng mine is the major contributor of Sino Gold's value. On the basis of the technical review of Jinfeng by Mining One, there appear to be limited grounds to expect a substantial expansion of ultimate mining inventory relative to the current resource base. Grant Samuel's valuation of Jinfeng has, however, reflected a judgement that an acquirer of the project would be prepared to pay a premium to the apparent current value of the Jinfeng operation. This premium reflects:
 - the possibility that further exploration drilling, particularly from underground, will ultimately result in an expansion of the Jinfeng Reserve. Notwithstanding the limited evidence to support such an outcome, the mineralised structure does appear to be continuing at depth. Jinfeng's underground exploration efforts in recent years have been modest as management has focussed on mining operations;
 - the optionality inherent in Jinfeng's location in a geologically promising mining region. The Jinfeng plant has the capacity to treat refractory ore and could allow the development of ore bodies discovered nearby that might otherwise not be viable; and
 - the strong strategic positioning provided by Jinfeng. Jinfeng, as Sino Gold's largest operation in China, effectively provides the critical mass that allows Sino Gold to maintain the strategic advantages it has developed in operating in China; and
- Grant Samuel has assessed the sovereign risk associated with Sino Gold's operations in China as relatively low. The Chinese Government promotes a free-market economy and has been open to foreign investment for almost two decades. The Economist Intelligence Unit rates China as investment grade from a sovereign risk point of view. China also enjoys an investment-grade credit rating with all major ratings agencies. Although credit ratings are not a measure of sovereign risk, China's credit ratings support the view that China offers an attractive investment environment and that perceived sovereign risk is low. Sino Gold's experience in China and its successful track record of securing exploration and mining licences and developing and operating gold mines also suggest that, at least in relation to Sino Gold's current operations, Chinese sovereign risk is not significant.

Grant Samuel's valuation of Sino Gold in the range US\$1,536-1,740 million implies the following valuation parameters:

Sino Gold – Implied Valuation Parameters (US\$/oz)			
Multiples of ⁵⁷	Variable (000 oz)	Implied Multiple	
		Low	High
Gold resources (000's oz)	7,143	216	245
Gold reserves (000's oz)	4,428	349	395
Gold production 2009 (000's oz)	194	7,949	8,999
Gold production 2010 (000's oz)	239	6,458	7,311

These multiples are broadly consistent with the resource, reserve and production multiples for the selected comparable listed gold companies. The multiples for these comparable companies are set out in Appendix 2. In reviewing the multiples set out above, the following comments are relevant:

- there are no gold companies directly comparable to Sino Gold, in the sense of being “pure” gold companies with significant world scale mining operations exclusively in China. Zhaojin Mining Industry Company Ltd (“Zhaojin”), which of the identified comparable companies is

⁵⁷ Resources, Reserves and Production are attributable to Sino Gold.

GRANT SAMUEL



the only company with the bulk of its assets in China, generated approximately 30% of its 2008 earnings before unallocated costs from smelting. Accordingly, valuation evidence based on reserve, resource and production multiples derived from the share market values of comparable companies must be treated with caution;

- a number of the comparable companies have substantial silver and base metals reserves and resources. Although the Eastern Dragon project has high levels of silver, Sino Gold overall has limited Reserves and Resources of silver and no exposure to other metals;
- Grant Samuel has attributed little value to the Beyinhar project, which is consistent with the fact that Sino Gold has no immediate plans for its development. Although the Beyinhar project only accounts for 12% of Sino Gold's total Reserves and 16% of its Resources, the modest value attributed to Beyinhar reduces Sino Gold's Reserve and Resource multiples; and
- Sino Gold has relatively low cash costs relative to its peers.

7.2 Valuation Approach

7.2.1 Valuation Methodology

Grant Samuel's valuation of Sino Gold has been assessed by aggregating the estimated market values of the company's gold assets and adjusting for net cash or net debt. The valuation of the company's gold assets has been made on the basis of fair market value defined as the maximum price that could be realised in an open market over a reasonable period of time given current market conditions and currently available information, assuming that potential buyers have full information. Other assets have been valued on the basis of the net realisable value of those assets.

There are four primary methodologies commonly used for valuing operating businesses:

- capitalisation of earnings or cash flow,
- discounting projected cash flows ("DCF"),
- industry rules of thumb, and
- estimation of the aggregate proceeds from an orderly realisation of assets.

Each of these valuation methodologies has application in different circumstances. The primary criterion for determining which methodology is appropriate is the actual practice adopted by purchasers of the type of business involved.

Grant Samuel's preferred approach to valuing gold assets is through the application of the gold futures methodology. The gold futures methodology involves the valuation of future gold production by reference to the gold futures market. The present value of future gold production is estimated by discounting at discount rates that reflect the time value of money only (i.e. risk free rates). Similarly, future extraction costs (both capital and operating) are discounted to a present value using discount rates approximating risk free rates. The use of risk free rates is consistent with a view that there is limited systematic riskness associated with variability in production profiles or extraction costs. Any systematic riskness associated with the gold price is effectively reflected in the market-based gold futures prices used to value future gold production.

Further information on the gold futures methodology is set out in Appendix 3.

While the gold futures methodology is Grant Samuel's preferred approach to valuing gold projects, many valuations of gold assets use discount rates and gold price assumptions different to those adopted by Grant Samuel. North American analysts sometimes use a zero

Annexure A

Independent Expert's Report

GRANT SAMUEL



discount rate when valuing gold assets. Accordingly, for illustrative purposes, Grant Samuel has calculated net present values for the gold assets of Sino Gold on the basis of constant real gold prices in the range of US\$980-1,020 per ounce and a real discount rate of 0%.

Many Australian analysts employ conventional DCF analysis in their assessment of gold companies (although gold companies and gold projects are then commonly valued at some multiple of estimated NPV, which in Grant Samuel's view fundamentally undermines the reliability and utility of the DCF analysis). If discount rates are estimated using the Capital Asset Pricing Model ("CAPM") on the assumption that costs of capital for gold companies are set in international capital markets, then evidence suggests that betas for gold assets are close to zero. This would imply that discount rates should be around the risk free rate. If discount rates are estimated on the basis that costs of capital are set in (for example) the Australian market place, then much higher beta estimates are supportable.

Accordingly, Grant Samuel has also set out, for illustrative purposes only, the results of DCF analysis using nominal discount rates of 5% and 10%, which reflect rates that could be adopted depending on assumptions as to whether costs of capital for gold assets are set in international or Australian capital markets.

In addition, Grant Samuel has considered the option value inherent in mining operations, having regard to the cost structure, mine life and other characteristics of each of the mining operations of Sino Gold.

Grant Samuel has also taken into consideration sovereign and other country specific risk. To the extent that a business is perceived as being particularly risky, this specific risk should be dealt with by adjusting the cash flow scenarios. This avoids the need to make arbitrary adjustments to the discount rate which can dramatically affect estimated values, particularly when the cash flows are of extended duration or much of the business value reflects future growth in cash flows. In addition, risk adjusting the cash flows requires a more disciplined analysis of the risks that the valuer is trying to reflect in the valuation. However, it is also common in practice to allow for certain classes of specific risk (particularly sovereign and other country specific risks) in a different way by adjusting the discount rate applied to forecast cash flows by a so-called country risk premium. Grant Samuel has not made any adjustment to the risk free rate and other discount rates used in its valuation of the Sino Gold assets. The cash flows from the financial models developed for the purposes of the valuation have not been adjusted for sovereign risk. However, Grant Samuel has taken into account perceived sovereign risk in China in its consideration of the net present values calculated in its financial analysis.

Grant Samuel developed financial models for the Jinfeng and White Mountain gold mines and the Eastern Dragon project. The financial models were developed by Grant Samuel on the basis of operating models developed by Mining One based on life of mine plans provided by Sino Gold. Mining One reviewed each of the technical assumptions in the operating models, including those regarding reserve estimates, production profiles, operating costs, capital costs and the potential for reserve extensions. Grant Samuel determined the economic and financial assumptions used in the financial models. The models project gold production and costs from 30 June 2009 onwards. The valuations of Sino Gold's gold assets have been prepared as at 30 June 2009. Non trading assets and liabilities, such as shareholder loans, at that date have been recorded as adjustments to the valuation of Sino Gold.

Alternative valuation methodologies have been considered as secondary evidence of value as to the value of Sino Gold's gold assets. In particular, the estimates of value have been reviewed in terms of reserve and resource multiples, production multiples and comparable company analysis. These alternative approaches to valuation are useful in determining the reasonableness of estimates of value based on valuation approaches such as the gold futures

GRANT SAMUEL



methodology and traditional DCF analysis, because these estimates are typically sensitive to the assumptions adopted.

Little weight has been placed on an analysis of comparative historical transactions. Implied multiples from historical transactions reflect the market conditions at the time of the transaction, in particular the gold price. As the gold price is very volatile the results of analysing comparable transaction can also vary greatly.

The valuations of the gold assets of Sino Gold represent Grant Samuel's overall judgements as to value. They do not rely on any one particular scenario or set of economic assumptions. The valuations have been determined having regard to the sensitivity of the financial analysis to a range of technical and economic assumptions. They incorporate Grant Samuel's judgemental assessment of the impact on value of factors such as development status, resource and reserve upside and optionality to the extent not reflected in the financial analysis. Where appropriate, the valuations take into account direct market based evidence as to the value of broadly comparable projects.

The valuations of Sino Gold's gold assets represent Grant Samuel's assessment of full underlying value. They do not represent Grant Samuel's view of the likely share market value of Sino Gold. Shares in listed companies typically trade at a discount to full underlying value.

The valuations are based on a number of important assumptions, including assumptions regarding gold prices and exchange rates. The valuations also reflect the technical judgements of Mining One regarding the prospects for Jinfeng, White Mountain and Eastern Dragon. Gold prices, exchange rates and expectations regarding future operating parameters can change significantly over short periods of time. Such changes can have significant impacts on underlying value. Accordingly, while the values estimated are believed to be appropriate for the purpose of assessing the Proposal, they may not be appropriate for other purposes or in the context of changed economic circumstances or different operational prospects for Jinfeng, White Mountain and Eastern Dragon.

7.2.2 Valuation Assumptions

The valuations of Jinfeng, White Mountain and Eastern Dragon have been determined by reference to the gold futures methodology and other financial analysis. This analysis involves making a number of assumptions regarding gold prices, economic factors and discount rates. The valuations are sensitive to the assumptions used in the analysis. Relatively small changes in certain variables can cause significant changes in value.

Key assumptions include:

- spot gold prices in the range of US\$980-1,020 per ounce, based on gold prices prevailing around 30 September 2009. For the purpose of the gold futures methodology, gold production is valued by reference to gold futures prices, estimated by escalating the current spot price at the risk free rate;
- a spot exchange rate of A\$1.00=US\$0.873;
- a risk free rate of 3.30%, based on the 10-year US Treasury Bond yield prevailing around end-September 2009,
- long term United States inflation rates of 2.00% per annum;
- tax depreciation schedules determined on the basis of tax written down values for various asset categories. Accumulated carry forward expenditures that are deductible for tax purposes have been allowed for in the financial models; and

Annexure A

Independent Expert's Report

G R A N T S A M U E L



- Chinese corporate tax rate of 25% and 10% withholding on dividends.

7.2.3 Resources Projects and Optionality

The conventional gold futures methodology implicitly assumes that the rate of output from a mining operation is pre-determined. This methodology ignores the value inherent in management's ability to vary production and other operating parameters in reaction to changes in commodity prices or other circumstances. Management may change the rate of production of a mine, close or re-open the mine or in certain circumstances even abandon it. Accordingly, a mine may be regarded as an option (or series of options) over the resources it contains.

The value of management flexibility is illustrated by the example of a marginal mine, where the marginal cash production cost is equal to expected revenue. Application of the conventional discounted cash flow methodology would result in the estimate of a zero value for the mine. In reality, however, the mine will have some value, because management is able to reduce or cease production if marginal revenue falls below the marginal cash cost of production and to resume or increase production if commodity prices rise.

Similarly, the designs and long term development alternatives for many mines allow management to change operating plans in the light of future commodity prices and operating costs. Life of mine plans frequently involve mining marginal ore, making additional cut backs or making other operational decisions at some point in the future. However, management is commonly not required to commit to such decisions at the commencement of the mining project. Firm commitments are only required much later in the project, at which time management will be able to make decisions on the basis of the commodity prices and other circumstances then prevailing. The mining operations as they relate to (for example) the mining of marginal ore or a final cut back may be thought of as a series of call options exercisable at the marginal mining costs to be incurred at the time. These options represent additional value not captured by the conventional discounted cash flow or gold futures methodology.

An alternative perspective is that management flexibility results in changes in commodity prices having an asymmetric impact on the value of a mining operation. If commodity prices rise unexpectedly, the mine will earn greater revenue (and may be able to mine additional mineralisation not originally scheduled for production). If commodity prices fall unexpectedly, production will be curtailed or, in the worst case, stopped. The mine will not continue, in the long term, to be operated at a cash operating loss. By contrast, deterministic valuation models implicitly assume that there is some possibility of the mine operating on a long term basis at a cash operating loss, in the same way that it implicitly assumes that the mine may earn "super profits" as a result of a persistent increase in commodity prices.

Grant Samuel is aware of valuation methodologies which attempt to incorporate the option value associated with management flexibility, using a combination of conventional discounted cash flow analysis and option theory. However, the application of these methodologies is impractical in the context of the complex and unpredictable nature of mining operations. In making judgments on value, Grant Samuel has given general consideration as to the characteristics of the various mining operations and the value of management flexibility or underlying option value implicit in those characteristics. In particular, Grant Samuel has considered the extent to which:

- operations are marginal or incorporate significant resources, not currently planned for mining, of marginal economics (i.e. the operations represent or incorporate options "close to the money"); and

GRANT SAMUEL



- length of mine life or other characteristics give management flexibility over the conduct of mining operations.

The valuation of each project includes a subjective assessment of the real option value inherent in the project.

7.3 Jinfeng

Grant Samuel has valued a 100% interest in the Jinfeng Gold Mine in the range US\$1,300-1,400 million. This implies a value for Sino Gold's 82% stake in Jinfeng of US\$1,066-1,148 million, which equates to \$1,221-1,315 million at an exchange rate of A\$1.00 = US\$0.873.

The valuation of Jinfeng is an overall judgement on value. It takes into account the value of Jinfeng's reserves as at 30 June 2009, assumes the conversion of some inferred resources into reserves and incorporates the value of some exploration upside not quantified in the valuation case outlined below.

Grant Samuel prepared a detailed financial model for the Jinfeng operations. This model was based on a single valuation case, which incorporates production, capital and operating cost projections developed by Mining One using information provided by Sino Gold. The model does not incorporate the potential for additional resources from successful exploration at or around Jinfeng.

The Case assumes that resource to reserve conversion allows the mining of a total of 3.2 million ounces of contained gold (by comparison with reserves of around 3.2 million ounces as at 31 December 2008 and mining depletion of approximately 100,000 ounces in the six months to 30 June 2009). Of the additional contained gold, 38,000 ounces are assumed to be sourced from resource to reserve conversions. Operations continue until 2022, although production volumes decline slightly in the last two years of operations. In total, 19.1 million tonnes of ore are milled over the project life at an average gold grade of 5.22 g/t, for gold production of 2.7 million ounces. Closure expenses totalling US\$45 million are incurred in 2023.

The following table summarises projected production and costs for the scenario. The costs shown below assume the payment of the resource compensation fee from 2011 onwards:

Jinfeng – Model Parameters						
100%	6 mths to 31 Dec 09	Year ended 31 December				Total Life of Mine
		2010	2011	2012	2013	
Ore milled (000's tonnes)	830	1,451	1,451	1,455	1,451	19,087
Gold milled grade (g/t)	4.7	5.0	5.6	5.5	5.5	5.2
Gold production (000's ounces)	107	193	218	219	221	2,726
Total cash costs (US\$ / oz Au) ⁵⁸	450	407	400	399	397	416
Capital expenditure (US\$ million)	23	21	18	13	13	225

The results of the financial analysis for the valuation case are summarised below:

⁵⁸ Total cash costs are per ounce of gold produced and after refining charges and royalties.

Annexure A

Independent Expert's Report

GRANT SAMUEL



Jinfeng – Results from Financial Analysis (US\$ million)			
100%	Spot Gold Price		
	US\$980	US\$1,000	US\$1,020
Gold futures methodology	1,079	1,114	1,150
DCF - 0% real discount rate	936	970	1,004
DCF – 5% nominal discount rate	773	801	829
DCF – 10% nominal discount rate	596	617	638

Grant Samuel's preferred valuation approach for gold assets is the gold futures methodology. For illustrative purposes, Grant Samuel has also presented NPV estimates using a variety of discount rates (as discussed in Section 7.2 above).

Grant Samuel has valued 100% of Jinfeng in the range US\$1,300-1,400 million. This value range implies the following valuation parameters:

Jinfeng – Implied Valuation Parameters (US\$/oz)			
Multiples of ⁵⁹	Variable (000' oz)	Implied Multiple	
		Low	High
Gold resources (000's oz)	5,004	260	280
Gold reserves (000's oz)	3,232	402	433
Gold production 2009 (000's oz)	191	6,814	7,338
Gold production 2010 (000's oz)	193	6,736	7,254

Grant Samuel's valuation of Jinfeng in the range US\$1,300-1,400 million is relatively high having regard to the results of the financial analysis set out above. The valuation range is US\$150-250 million higher than the highest value calculated using the gold futures methodology, which reflects the following:

- on the basis of the limited exploration drilling that has been completed below the bottom of the currently delineated reserve, Mining One has concluded that there is no basis for preparing a valuation scenario that assumes a substantial expansion of the Jinfeng resources and reserves at depth. In fact, the limited evidence suggests that the ore body is narrowing and grades are declining at depth. On the other hand, the mineralised structure does appear to be continuing at depth. Sino Gold has done relatively limited exploration at depth in recent times, given that it has substantial reserves already available for mining and given its focus on development of the underground mine. The future availability of underground drill positions will make exploration for additional mineralisation at depth significantly less costly and more efficient. In Grant Samuel's view it is reasonable to assume that a potential acquirer of Jinfeng would attribute some value to the potential for exploration success at depth;
- Jinfeng's favourable geological setting within the Golden Triangle region means that the identification and exploitation of satellite resources cannot be ruled out. Sino Gold's exploration results around Jinfeng to date have been disappointing, but there are a number of mines owned and operated by third parties in the region and there are still opportunities for Sino Gold to identify additional resources. The treatment plant at Jinfeng and its ability to treat refractory mineralisation mean that Sino Gold would have an opportunity to exploit new discoveries, even if they were not economically viable on a standalone basis;
- the size of the Jinfeng operation, the extent of the mine life and the substantial technical resources developed to support the operation mean that Jinfeng provides the critical mass required to support Sino Gold's broader activities in China and gives Sino Gold credibility as

⁵⁹ 100% of Jinfeng. Production is as per valuation Case.

GRANT SAMUEL



a major participant in the Chinese gold mining sector. In effect, Jinfeng underpins the continuation of the strategic first mover advantage that Sino Gold has developed; and

- Sino Gold has assumed in its life of mine plan some productivity improvements in mining. Although these improvements were not reflected in the valuation case analysed by Grant Samuel, there may be some potential to reduce mine operating costs.

On the other hand, the valuation also reflects some risks and downsides associated with Jinfeng:

- the development of the underground mining operation at Jinfeng has been hindered by some difficulties with ground conditions and Sino Gold is contemplating a change in mining method to address this issue. Mining One has concluded that the application of appropriate underground mining processes and controls should allow the Jinfeng underground mine to operate at currently planned mining rates and costs. However, there remains a risk that geotechnical issues underground will affect mining rates or costs;
- more generally, achievement of planned underground rates once the pit is completed and the mine is solely reliant on underground mining will require careful planning and management. There is some risk that failure to achieve planned mining rates will reduce production levels and increase operating costs; and
- there is uncertainty about the liability of the Jinfeng joint venture to pay the resource compensation fee. This fee is a tax deductible royalty paid to the Ministry of Land and Resources which amounts to approximately US\$27 per ounce of gold sold. The Jinfeng joint venture was granted a five-year exemption from payment of the fee when the Jinfeng mine was approved as an “encouraged” project in 2005. In December 2008, the Ministry of Land and Resources notified the joint venture that it believed the joint venture should not have been granted the exemption. If the exemption is invalidated, the joint venture will have to pay the resource compensation fee for all gold sales from the commencement of operations to the end of 2010. Sino Gold has indicated that based on historical gold sales and future gold sales targets of approximately 556,000 ounces from 2007 to 2010, the total undiscounted, pre-tax amount payable would be approximately US\$15 million. Although the joint venture is disputing the claim and has received advice that its qualification for the exemption is strong and Sino Gold has not recorded a corresponding liability in its accounts, there is a possibility that Sino Gold will have to pay all or part of its share of the amount. The valuation case evaluated by Grant Samuel assumes in any event the payment of the resource compensation fee from 2011 onwards.

7.4 White Mountain

Grant Samuel has valued a 100% interest in the White Mountain Gold Mine in the range US\$240-290 million. This implies a value for Sino Gold’s 95% stake in White Mountain of US\$228-276 million, which equates to \$261-316 million at an exchange rate of A\$1.00 = US\$0.873.

The valuation of White Mountain is an overall judgement on value. It takes into account the value of White Mountain’s reserves as at 30 June 2009, the conversion of some inferred resource into reserve and incorporates the value of exploration upside.

Grant Samuel prepared detailed financial models for the White Mountain operations. These models were based on two valuation cases, which incorporate production, capital and operating cost projections developed by Mining One using information provided by Sino Gold. The models incorporate the potential for additional resources from the exploration along strike.

Case 1 assumes the mining of 797,000 ounces of contained gold, which is estimated to be broadly consistent with reserves. Reserves at White Mountain as at 31 December 2008 were in the order of 790,000 ounces. Approximately 24,000 contained ounces of gold were mined in the six months to 30 June 2009, but Sino Gold is of the view that some of the material mined in the first half of the 2009 year was from mineralisation outside reserves, which would imply only limited depletion of reserves since 31 December 2008. Production is assumed to continue until early 2020. In total, 7.0 million tonnes of ore are milled over the life of the project at an average gold grade of 3.55 g/t,

Annexure A

Independent Expert's Report

GRANT SAMUEL



for gold production of 652,000 ounces. Closure expenses totalling US\$15 million are incurred in 2020 and 2021.

Case 2 is an extended version of Case 1 and assumes the conversion of 50% of the inferred resource and the delineation of additional mineralisation. This allows the mill to operate at close to full capacity until the end of 2021. Case 2 assumes that, in total, 908,000 ounces of gold are mined, including approximately 65,000 ounces sourced from resources not currently in reserves and 47,000 ounces sourced from mineralisation yet to be identified. In total, 8.2 million tonnes of ore are milled over the project life at an average gold grade of 3.44 g/t, for gold production of 743,000 ounces. Closure expenses totalling US\$15 million are incurred in 2022.

Both cases assume that the mine and process plant will only operate for a total of three months from 1 July 2009 to 31 December 2009, as a result of the recent suspension of mining operations. It should also be noted that mining costs have not been adjusted to reflect Sino Gold's expectation that it will be able to reduce operating costs by switching to cheaper mining methods.

The following table summarises projected production and costs for the two scenarios:

White Mountain – Model Parameters						
100%	6 mths to 31 Dec 09	Year ended 31 December				Total Life of Mine
		2010	2011	2012	2013	
Case 1						
Ore milled (000's tonnes)	175	660	670	670	670	6,992
Gold milled grade (g/t)	4.3	4.0	4.0	3.7	3.3	3.5
Gold production (000's ounces)	19	69	71	66	57	652
Total cash costs (US\$ / oz Au) ⁶⁰	459	441	422	452	512	480
Capital expenditure (US\$ million)	4.7	6.0	6.1	5.8	2.8	51.4
Case 2						
Ore milled ('000 tonnes)	175	660	670	670	670	8,205
Gold milled grade (g/t)	4.3	4.0	4.0	3.7	3.3	3.4
Gold production (000's ounces)	19	69	71	66	57	743
Total cash costs (US\$ / oz Au) ¹	459	441	422	452	512	491
Capital expenditure (US\$ million)	4.7	6.0	6.1	5.8	2.8	55.4

⁶⁰ Total cash costs are per ounce of gold produced and after refining charges and royalties.

GRANT SAMUEL



The results of the financial analysis for the two cases are summarised below:

White Mountain – Results from Financial Analysis (US\$ million)			
100%	Spot Gold Price		
	US\$980	US\$1,000	US\$1,020
Case 1			
Gold futures methodology	235	244	252
DCF - 0% real discount rate	205	213	221
DCF – 5% nominal discount rate	175	182	189
DCF – 10% nominal discount rate	141	146	152
Case 2			
Gold futures methodology	267	276	286
DCF - 0% real discount rate	227	236	245
DCF – 5% nominal discount rate	190	198	206
DCF – 10% nominal discount rate	150	156	162

Grant Samuel's preferred valuation approach for gold assets is the gold futures methodology. For illustrative purposes, Grant Samuel has also presented NPV estimates using a variety of discount rates (as discussed in Section 7.2 above).

Grant Samuel has valued 100% of White Mountain in the range US\$240-290 million. This value range implies the following valuation parameters:

White Mountain – Implied Valuation Parameters (US\$/oz)			
Multiples of ⁶¹	Variable (000 oz)	Implied Multiple	
		Low	High
Gold resources (000's oz)	1,188	202	244
Gold reserves (000's oz)	790	304	367
Gold production 2009 (000's oz)	40	6,043	7,302
Gold production 2010 (000's oz)	69	3,478	4,203

Grant Samuel's valuation of White Mountain in the range US\$240-290 million takes into account the results of the financial analysis set out above. It also reflects the following:

- drilling results suggest that there might be some exploration upside beyond the upside reflected in Case 2;
- the life of mine plan is based on milling approximately 90% of non-refractory ore and 10% of refractory ore. Test work shows that recovery from the non-refractory ore was 85% and recovery from the refractory ore was 65%. Recoveries reached 87% in June 2009, which suggests that actual recoveries might be higher than the overall 82% average recovery assumed in the valuation cases;
- the planned transition to cheaper mining methods in light of the excellent ground conditions might result in lower mining costs than those assumed for the purposes of Grant Samuel's financial analysis; and
- any further disruptions to operations by the local villagers could affect the profitability and free cash flows produced by White Mountain.

⁶¹ 100% of White Mountain. Production numbers are as per valuation Cases.

Annexure A

Independent Expert's Report

GRANT SAMUEL



The parameters implied by Grant Samuel's valuation of White Mountain are broadly consistent with those implied by Grant Samuel's valuation of Jinfeng:

- average cash costs over the life of the mine are expected to be significantly higher at White Mountain than at Jinfeng; and
- production at White Mountain increases sharply in 2010, peaks in 2011 and then decreases, whereas production at Jinfeng increases only marginally in 2010 and thereafter remains at around that level for the seven years from 2011.

7.5 Eastern Dragon

Grant Samuel has valued a 100% interest in the Eastern Dragon project in the range US\$325-375 million. Taking into account the amounts outstanding on the acquisition of Sino Gold's 95% interest in Lode 5 (US\$8 million), the amount outstanding on the acquisition of the additional 35% stake in EL53 (US\$11 million) and the amount expected to be paid to increase Sino Gold's interest EL53 to 90%, this implies a value for Sino Gold's interest in Eastern Dragon of US\$290-325 million, which equates to \$332-372 million at an exchange rate of A\$1.00 = US\$ 0.873.

The valuation of Eastern Dragon is an overall judgement on value. It takes into account the value of Eastern Dragon reserves as at 30 June 2009, assumes the conversion of some inferred resource to reserves and incorporates the value of exploration upside. The valuation reflects Grant Samuel's judgemental assessment of the impact on value of the development risk related to the project.

Grant Samuel prepared detailed financial models for the Eastern Dragon project. These models were based on two valuation cases, which incorporate production, capital and operating cost projections developed by Mining One using information provided by Sino Gold. The models incorporate the potential for additional resources from the exploration along strike to the north.

Case 1 assumes the mining of 674,000 ounces of contained gold, which represents the mining of both current reserves (estimated as at 31 December 2008) and approximately 60% of inferred resources. Production is assumed to start in late 2010, ramp up to full capacity by 2013 and continue until early 2018. In total, 2.7 million tonnes of ore are milled over the project life at an average gold grade of 7.9 g/t and an average silver grade of 59.4 g/t. Over the life of the mine, 640,000 ounces of gold and 4.1 million ounces of silver are produced. Closure expenses totalling US\$9 million are incurred in 2018.

Case 2 is an expanded version of Case 1 and assumes that an additional 10% of ore is mined, extending the mine life for one year to 2019. The assumption that this additional material will be available for mining is supported by positive drilling results to the north of the inferred resources boundary. This additional material is expected to be sourced from the exploration licence EL53 surrounding the Lode 5 exploration licence. Sino Gold is in the process of increasing its interest in EL53 from 25% to 60% to 90%. Over the life of the project, 2.9 million tonnes of ore are milled at an average gold grade of 7.9 g/t and an average silver grade of 59.5 g/t, representing a total of 741,000 contained ounces of gold. Over the life of the mine, 704,000 ounces of gold and 4.5 million ounces of silver are produced. Closure expenses totalling US\$15 million are incurred in 2019.

GRANT SAMUEL



The following table summarises projected production and costs for the two scenarios:

Eastern Dragon – Model Parameters						
100%	6 mths to 31 Dec 09	Year ended 31 December				Total Life of Mine
		2010	2011	2012	2013	
Case 1						
Ore milled (000's tonnes)	-	45	203	338	360	2,664
Gold milled grade (g/t)	-	11.5	11.5	11.0	8.9	7.9
Silver milled grade (g/t)	-	67.0	67.0	68.3	75.3	59.4
Gold production (000's ounces)	-	15.8	71.0	113.8	97.8	640
Silver production (000's ounces)	-	78	349	593	697	4,072
Total cash costs (US\$ / oz Au) ⁶²	-	170	162	130	134	178
Capital expenditure (US\$ million)	7	57	9	5	6	96
Case 2						
Ore milled ('000 tonnes)	-	45	203	338	360	2,931
Gold milled grade (g/t)	-	11.5	11.5	11.0	8.9	7.9
Silver milled grade (g/t)	-	67.0	67.0	68.3	75.3	59.5
Gold production (000's ounces)	-	15.8	71.0	113.8	97.8	704
Silver production (000's ounces)	-	78	349	593	697	4,482
Total cash costs (US\$ / oz Au)	-	170	162	130	134	173
Capital expenditure (US\$ million)	7	57	9	5	6	100

The results of the financial analysis for the two cases are summarised below:

Eastern Dragon – Results from Financial Analysis (US\$ million)			
100%	Spot Gold Price		
	US\$980	US\$1,000	US\$1,020
Case 1			
Gold futures methodology	330	339	347
DCF - 0% real discount rate	313	321	330
DCF - 5% nominal discount rate	262	269	276
DCF - 10% nominal discount rate	203	209	215
Case 2			
Gold futures methodology	368	377	387
DCF - 0% real discount rate	348	357	366
DCF - 5% nominal discount rate	288	295	303
DCF - 10% nominal discount rate	220	226	232

Grant Samuel's preferred valuation approach for gold assets is the gold futures methodology. For illustrative purposes, Grant Samuel has also presented NPV estimates using a variety of discount rates (as discussed in Section 7.2 above).

Grant Samuel has valued 100% of Eastern Dragon in the range US\$325-375 million. This value range implies the following valuation parameters:

⁶² Total cash costs are per ounce of gold produced and after refining charges and royalties.

Annexure A

Independent Expert's Report

GRANT SAMUEL



Eastern Dragon– Implied Valuation Parameters (US\$/oz)			
Multiples of ⁶³	Variable (000 oz)	Implied Multiple	
		Low	High
Gold resources (000's oz)	777	418	483
Gold reserves (000's oz)	527	617	712
Gold production 2009 (000's oz)	-	-	-
Gold production 2010 (000's oz)	16	20,313	23,438

Grant Samuel's valuation of Eastern Dragon in the range US\$325-375 million takes into account the results of the financial analysis set out above. It also reflects the following:

- the reasonably high gold grades and expected low operating costs mean that Eastern Dragon will be highly profitable at current gold prices, with an expected payback of the initial capital costs of 13-15 months. The project economics would be robust even at much lower gold prices;
- there is potential to delineate additional resources at the northern end of the orebody (over and above the extension already captured in Case 2), although current indications are that this upside may be limited;
- having regard to regional prospectivity, there is some potential to extend the mine life through exploiting any satellite resources that are identified; and
- commencement of project development is subject to the receipt of a project permit and the project remains subject to construction and commissioning risk. The construction and commissioning risks are somewhat mitigated by the simple mining methods to be used, the favourable ground conditions expected and the conventional nature of the treatment plant. In addition, the Sino Gold and contractor teams working on the project have been involved in the construction and commissioning of White Mountain and Jinfeng.

There are only a limited number of low cost, undeveloped gold projects that are comparable to Eastern Dragon. The Cerro Negro gold project, which is owned by Andean Resources Limited ("Andean"), provides useful evidence as to the value of the Eastern Dragon project.

The Cerro Negro gold project is Andean's major asset and is located in the province of Santa Cruz in southern Argentina. Cerro Negro is a high gold and silver grade, low-sulphidation, epithermal deposit hosted within quartz veins and associated stockworks. Andean released a pre-feasibility study in October 2008 and is currently finalising a Bankable Feasibility Study ("BFS") which is expected to be completed by December 2009. The BFS contemplates the development of an underground mine and a conventional leaching processing plant for a total initial capital expenditure of approximately US\$180 million. Gold resources total 2.6 million ounces of gold at an average grade of 5.9 g/t and silver resources total 23.2 million ounces of silver at an average grade of 53.5 g/t. Reserves estimated for the purposes of the pre-feasibility amounted to 1,472,000 ounces of gold at an average grade of 6.4 g/t and 17.3 million ounces of silver at an average grade of 75 g/t. Andean expects to produce 250,000-300,000 ounces of gold per annum, at an average cash cost of below US\$200 per ounce for the first three years of operation. Construction is expected to commence in September 2010.

A comparison of the Eastern Dragon project and Andean is summarised as follows:

⁶³ 100% of Eastern Dragon. Production numbers are as per valuation Cases.

GRANT SAMUEL



Comparable Analysis							
	Enterprise Value (US\$ m)	Initial Capex (US\$ m)	Gold Resources ('000 oz)	Gold Reserves ('000 oz)	Gold Resources (US\$/oz) ⁶⁴	Gold Reserves (US\$/oz) ⁶⁵	Cash Costs ⁶⁶ (US\$/oz)
Eastern Dragon - Low	325	65	777	527	502	740	145
- High	375	65	777	527	566	835	145
Andean - Low	1,007	180	2,577	1,472	460	806	< 200
- High	1,138	180	2,577	1,472	511	895	< 200

Source: Company Reports, Grant Samuel analysis

Andean's current enterprise value based on share market trading and option values as at the date of this report is approximately US\$788 million (taking into account net cash of US\$88 million following the completion of its recent C\$90 million financing and the exercise of in the money options). This suggests that on a full underlying value basis (which typically would be at a premium of, say, around 25-40% to share trading values) Andean could have an enterprise value of around US\$1,007-1,138 million, the bulk of which would be attributable to the Cerro Negro gold project. Although Cerro Negro has a larger reserve and resource base and greater expected production rates, Eastern Dragon has higher average gold grades and similar levels of silver grades. Eastern Dragon is expected to have lower cash costs after silver credits than Cerro Negro. Accordingly, in Grant Samuel's view, the market value of Andean provides general support for Grant Samuel's valuation of Eastern Dragon in the US\$325-375 million range.

7.6 Exploration

Beyinhar

Mining One has valued a 100% interest in the Beyinhar project in the range US\$1-13 million. Grant Samuel has used a range of US\$5-15 million for the purposes of this valuation. The value attributed to Beyinhar implies a value for Sino Gold's 95% interest in the project of US\$5-14 million, which equates to \$5-16 million at an exchange rate of A\$1.00 = US\$ 0.873.

Grant Samuel has valued 100% of Beyinhar in the range US\$5-15 million. This value range implies the following valuation parameters:

Beyinhar – Implied Valuation Parameters (US\$/oz)				
Multiples of ⁶⁷	Variable ('000 oz)	Implied Multiple		
		Low	High	
Gold resources	1,235	4	12	
Gold reserves	558	9	27	

There are no current, robust estimates of likely future capital and operating costs available on which to base a meaningful DCF analysis of Beyinhar. Sino Gold has no current development plans for Beyinhar. Mining One has valued Beyinhar based on the in-situ value of the mineral reserves and resources and other benchmarks. The parameters implied by the valuation of Beyinhar reflect the following:

- DCF analysis undertaken for the purposes of the feasibility study suggests that the project is only marginally profitable and that the estimated value of the project is highly sensitive to the gold price, gold grade and other operating assumptions;
- testing is still underway to confirm some of the key assumptions; and

⁶⁴ Based on the enterprise values adjusted for the initial capital expenditure.

⁶⁵ Based on the enterprise values adjusted for the initial capital expenditure.

⁶⁶ Estimated average for the first three years of production.

⁶⁷ 100% of Beyinhar.

Annexure A

Independent Expert's Report

GRANT SAMUEL



- development risk could be significant.

Other exploration assets

Similarly, there are no current, robust estimates of likely future capital and operating costs available on which to base a meaningful DCF analysis of the exploration potential of EL53 excluding the material captured in the Eastern Dragon Case 2, the Banmiaozhi prospect located next to the White Mountain mine, the Dongdapo prospect, Lengjiagou, Caijiagou, Bengge, Jinlou and Yandan. Mining One has valued these exploration interests in the range US\$3-17 million, based on various benchmarks. Grant Samuel has selected a range of US\$5-15 million, which equates to \$6-17 million at an exchange rate of A\$1.00 = US\$0.873.

Mining One's valuation of Sino Gold's exploration interests is set out in their report.

7.7 Corporate Costs

Sino Gold incurs corporate costs that have not been incorporated in the valuations of the gold assets. The costs include costs associated with maintaining a head office, the executive management team and finance, human resources, and administration activities. It is likely that a significant proportion of these costs could be eliminated by a corporate acquirer. Costs associated with being a public listed company would also be eliminated by an acquirer of Sino Gold. An allowance of \$30-50 million has been made in the valuation for the capitalised value of the residual overhead costs.

7.8 Net Receivables

Sino Gold has provided shareholder loans to the joint ventures that own the operating assets and projects. These loans have funded exploration and development costs, and are repayable out of future joint venture cash flows.

These loans are summarised in the table below:

Shareholder Loans at 30 June 2009			
Project	Balance	Sino Gold Share of Debt	Net Receivable
Jinfeng	21.4	(17.5)	3.9
White Mountain	32.7	(31.1)	1.6
Eastern Dragon	-	-	-
Beyinhar	5.0	(4.8)	0.3
Total	59.1	(53.4)	5.7

Source: Sino Gold

The shareholder loans represent both receivables for Sino Gold (for 100% of each loan amount) and payables (through Sino Gold's proportional interest in each joint venture.) On a net basis the shareholder loans represent receivables for Sino Gold. Grant Samuel has valued the shareholder loans at face value. They represent a total net receivable to Sino Gold of US\$5.7 million.

7.9 Borrowings and Cash

Sino Gold recorded interest bearing borrowings of \$219.7 million as at 30 June 2009. These interest bearing liabilities all relate to project debt to fund Jinfeng, White Mountain and Eastern Dragon and are consolidated on Sino Gold's balance sheet. However, Sino Gold's share of the debt is proportional to its interest in the relevant projects. The calculation of Sino Gold's share of the debt is shown below:

GRANT SAMUEL



Sino Gold – Borrowings as at 30 June 2009⁶⁸					
	Interest	Borrowings US\$ millions		Borrowings \$ millions	
		100%	Sino Gold's share	100%	Sino Gold's share
Jinfeng	82%	97.6	80.0	120.3	98.6
White Mountain	95%	33.8	32.1	41.7	39.6
Eastern Dragon	95%	46.8	44.5	57.7	54.8
Corporate	100%	-	-	-	-
Total		178.2	156.6	219.7	193.1

Grant Samuel converted the US dollar denominated debt amount at A\$1.00 = US\$0.873. Accordingly, debt for valuation purposes will not equal the debt in Sino Gold's reported balance sheet at 30 June 2009.

Sino Gold recorded a cash balance of \$184.1 million or US\$149.4 million as at 30 June 2009. The total cash balance reflects corporate cash as well as cash held by the joint ventures which is consolidated onto Sino Gold's balance sheet. The calculation of Sino Gold's share of the cash is shown below:

Sino Gold – Cash as at 30 June 2009⁶⁹					
	Interest	Cash US\$ millions		Cash \$ millions	
		100%	Sino Gold's share	100%	Sino Gold's share
Jinfeng	82%	21.3	17.5	26.3	21.5
White Mountain	95%	16.3	15.5	20.1	19.1
Eastern Dragon	95%	4.1	3.9	5.1	4.9
Beyinhar	95%	4.2	4.0	5.2	4.9
Other entities	Various	3.5	2.9	4.3	3.6
Corporate (incl. restricted cash)	100%	99.9	99.9	123.1	123.1
Total		149.4	143.7	184.1	177.1

Grant Samuel converted the US dollar denominated cash amount at A\$1.00 = US\$0.873. Accordingly, cash for valuation purposes will not equal the cash in Sino Gold's reported balance sheet at 30 June 2009.

⁶⁸ Numbers might not add due to rounding.

⁶⁹ The cash balance in Australian dollar as shown in this table reflects the exchange rate used by Sino Gold for the preparation of its accounts for the six months ended 30 June 2009. Numbers might not add due to rounding.

Annexure A

Independent Expert's Report

GRANT SAMUEL



8 Valuation of the Consideration

8.1 Summary

Under the Proposal, Sino Gold shareholders will receive 0.55 ordinary shares in Eldorado for each Sino Gold share. Grant Samuel has attributed a current value to the Consideration of \$6.66-7.24 per Sino Gold share based on an Eldorado share price in the range C\$11.50-12.50.

The after tax value of the Consideration will vary depending upon the particular tax position of individual shareholders. However, Australian resident shareholders are expected to be able to utilise the 'rollover relief' provisions and therefore defer any taxation until ultimate disposal of the Eldorado shares received through the Proposal.

It is possible that the Eldorado share price could move outside the range C\$11.50-12.50 between the date of this report and the implementation of the Proposals (currently expected to be December 2009). The value of the Consideration will vary with movements in the Eldorado share price and the Australian dollar/Canadian dollar exchange rate, amongst other factors. Accordingly until the Proposals are implemented, Sino Gold shareholders are exposed to factors including:

- changes in overall equity market conditions;
- movements in the gold price;
- exchange rate movements; and
- specific events that could affect the Eldorado share price.

The actual value of the Consideration to be received by Sino Gold shareholders could therefore be greater or less than \$6.66-7.24 per Sino Gold share.

8.2 Approach

The Proposals involve a change of control of Sino Gold. Board and management will change and Sino Gold securityholders will own only approximately 25% of the Combined Group. In these circumstances, the relevant benchmark for Sino Gold shareholders is the expected market value of the shares in Eldorado received as consideration. This assessment requires an estimate of the trading price after the Proposals are implemented (rather than a pre bid price).

It is normal practice to use the current market price as the starting point for estimating the value of an offer, particularly where the bidder is a relatively large company that enjoys high levels of liquidity and is closely followed by a wide range of analysts and other commentators.

An alternate method would be to estimate the underlying value of a combined Eldorado and Sino Gold and then to apply a discount to reflect a portfolio interest in the combined Eldorado/Sino Gold. Grant Samuel has not had access to the detailed financial and operational information on Eldorado (such as earnings and operational forecasts or life of mine plans) to undertake such a fundamental analysis of the value of the Consideration. In any event, the market assessment of the value of the Consideration is arguably more relevant and reliable than a theoretical estimate of a future trading price for the combined Eldorado/Sino Gold.

In considering the reliability of Eldorado's share market price as an indicator of the value of the Consideration, Grant Samuel has considered whether Eldorado's share price is a true reflection of the fair market value of Eldorado's shares. In particular, Grant Samuel has considered whether there is any evidence of abnormal trading activity in Eldorado's shares, whether there is any basis for judging that Eldorado shares appear mispriced, and whether there is any important information about Eldorado which could affect the share price but is not in the public domain. Specifically, Grant Samuel has:

- analysed the recent trading in Eldorado's shares;

GRANT SAMUEL

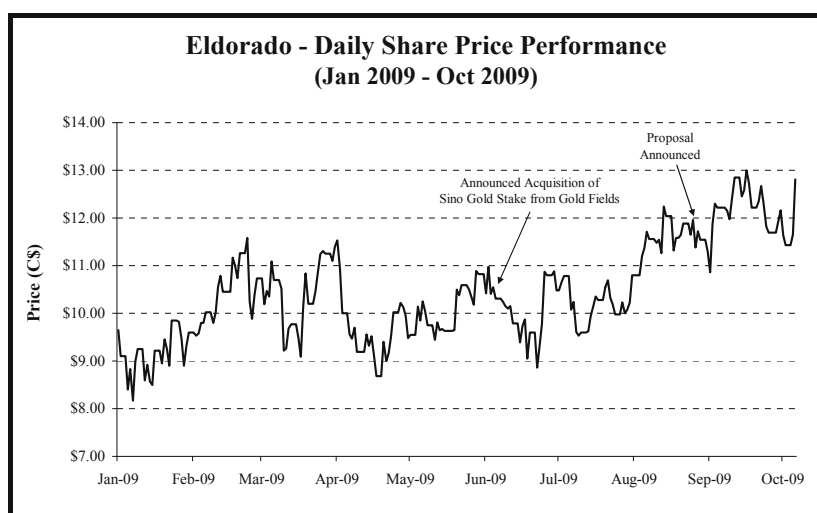


- analysed the earnings and other multiples implied by Eldorado's share price compared to its domestic and international peers;
- reviewed broker analyst research on Eldorado; and
- analysed the impact of the Proposals on Eldorado's key financial metrics.

8.3 Eldorado's Share Price Performance

Eldorado's share price performance since 2005 is discussed in section 5.6. In general Eldorado's shares have outperformed the S&P TSX Global Gold Index and the gold price. Over this period Eldorado's production has increased significantly. Eldorado's shares appear to exhibit typical trading behaviour. Significant share volumes are traded and there are no obvious restraints on trading or trading liquidity.

Eldorado's daily share price since 1 January 2009 is shown below:



Source: Bloomberg

Since the beginning of 2009 Eldorado's shares have generally traded in the range C\$9.00-11.00. Following the announcement of the Proposals in late August 2009, Eldorado's shares have traded, in general, between C\$11.00 and C\$13.00.

Annexure A

Independent Expert's Report

GRANT SAMUEL



8.4 Broker Forecasts

At its closing price on 6 October 2009 of C\$12.81, Eldorado was trading within the broad range of brokers' target prices for Eldorado shares, albeit at the lower end of the range of target prices:

Eldorado – Broker Target Prices			
Broker	Date of Report	Price	CS Price
Broker 1	10-Sep-09	US\$12.00	13.03
Broker 2	27-Aug-09	C\$12.50	12.50
Broker 3	28-Aug-09	US\$11.25	12.18
Broker 4	27-Aug-09	US\$12.00	13.16
Broker 5	11-Sep-09	US\$14.50	15.60
Broker 6	15-Sep-09	US\$11.50	12.47
Broker 7	27-Aug-09	C\$15.00	15.00
Broker 8	26-Aug-09	US\$13.00	14.20
Broker 9	27-Aug-09	C\$14.25	14.25
Broker 10	27-Aug-09	C\$11.00	11.00
Broker 11	27-Aug-09	C\$13.50	13.50
Broker 12	28-Aug-09	C\$13.00	13.00
Broker 13	27-Aug-09	US\$12.00	13.16
Broker 14	27-Aug-09	US\$13.50	14.81
Broker 15	4-Aug-09	C\$12.00	12.00
Broker 16	27-Aug-09	US\$11.00	12.06
Broker 17	15-Sep-09	US\$10.50	11.39
Broker 18	28-Aug-09	C\$14.00	14.00
<i>Low</i>			<i>11.00</i>
<i>High</i>			<i>15.60</i>
<i>Median</i>			<i>13.10</i>
<i>Average</i>			<i>13.18</i>

Source: Brokers reports

Note: US dollar target prices are converted to Canadian dollars at the closing exchange rate on the day of the broker report

All of these reports were published after the announcement of the Proposals. The target prices generally represent 12 month target prices rather than current valuations by the relevant brokers. Overall, it appears reasonable to conclude that Eldorado shares are trading broadly in line with brokers' estimates of the fair market value of its shares.

GRANT SAMUEL



8.5 Eldorado Trading Multiples

Eldorado's trading multiples are summarised below:

Eldorado – Implied Multiples				
Broker	EV/Reserves	EV/Resources	EV/Production	EV/EBITDA
Eldorado				
- Standalone (25 Aug 09)	571	271	11,391	22.6
- Combined Group (6 Oct 09)	534	275	10,436	19.3
Comparable Companies ⁷⁰				
- <i>Minimum</i>	92	17	2,262	5.3
- <i>Maximum</i>	831	493	49,760	21.1
- <i>Median</i>	342	150	7,128	10.3
- <i>Weighted Average</i>	382	208	12,866	11.0

Notes: Based on Reserves and Resources at 31 December 2008 and broker consensus forecasts for production and EBITDA for the year ending 31 December 2010

The pre-announcement multiples are based on Eldorado's parameters on a standalone basis. The Combined Group multiples take into account the terms of the Proposals, the additional Eldorado shares that would be issued and the impact of the Proposals on Eldorado including in relation to attributable reserves, resources and production.

The Combined Group multiples are generally lower than the standalone multiples, potentially reflecting the fact that Sino Gold has historically traded on lower multiples, its operations are higher cost and that there are not expected to be significant synergies.

Eldorado is trading on multiples that are generally at the top end of the range of trading multiples for broadly comparable companies. The question for Sino Gold shareholders is whether these higher multiples are reasonable or whether instead they reflect market mis-pricing of Eldorado shares.

Theoretically Eldorado should trade on higher multiples than its peers if the market believes that it has greater growth opportunities or has a sustainable cost advantage. The graph below illustrates that there appears to be a clear relationship between reserve multiples and cash costs. Eldorado has low cash costs in comparison to its peers.

⁷⁰ Refer to Appendix 2 for more detail.

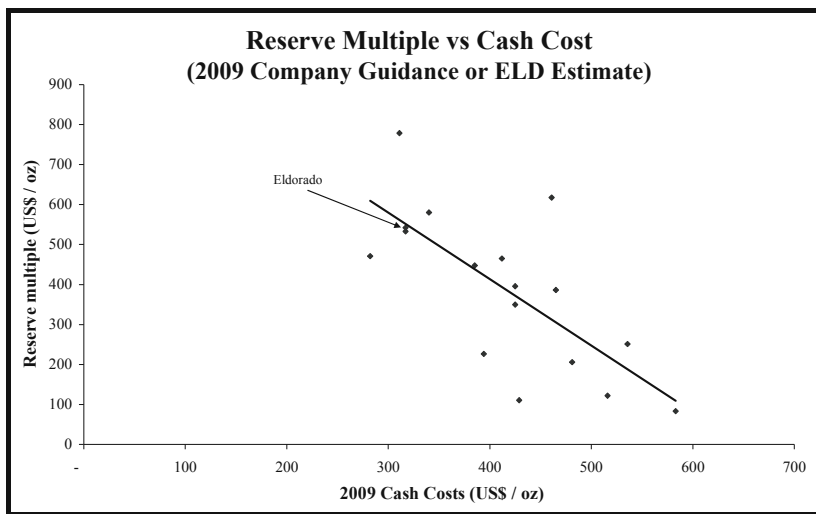
Annexure A

Independent Expert's Report

GRANT SAMUEL

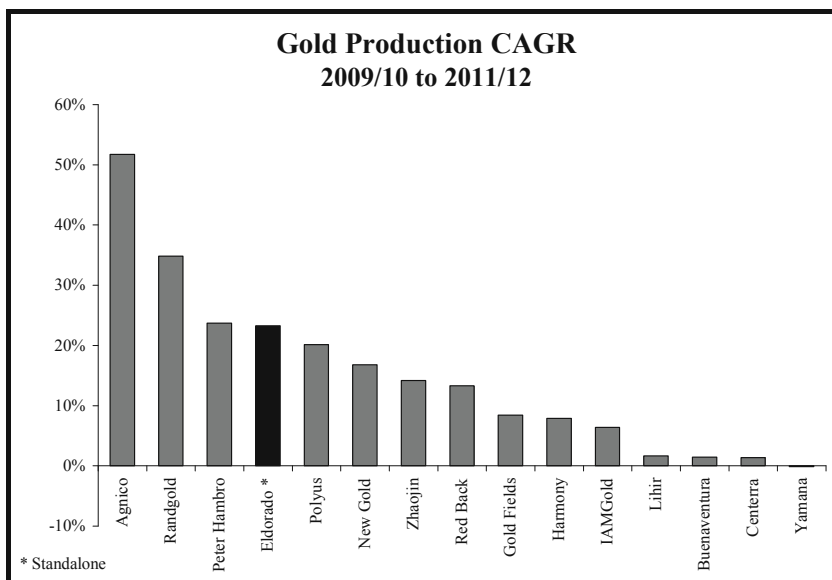


On the basis of the relationship suggested by the graph below, Eldorado's high reserve multiple appears consistent with its low cash operating costs:



Source: Broker analysis
 Note: Peter Hambro Mining Plc has not been included in this analysis because of conflicting information relating to their cash costs.

Similarly, the graph below illustrates expected production growth for Eldorado and its peers over the three years ending 31 December 2012:



Source: Broker analysis

The analysis suggests that market expectations for Eldorado's production growth are at the high end of the range of expectations for its peer group.

GRANT SAMUEL



It is not possible to establish a precise relationship between market ratings in terms of trading multiples and market expectations of operating costs and growth in gold production. However, it does appear credible that the premium rating enjoyed by Eldorado is explicable by its low operating costs and expected strong growth in production, both of which are very favourable by comparison with Eldorado's peer group. It appears reasonable to conclude that as long as the market continues to believe that Eldorado has strong growth prospects and that its low cost structure will be maintained then Eldorado should continue to trade at a premium to its peers (although the extent of this premium may vary).

8.6 Non Public Information

Grant Samuel has not had access to non public information in relation to Eldorado. However, as a reporting issuer in all of the provinces of Canada, Eldorado is required to comply with applicable provincial securities laws governing continuous disclosure, as well as stock exchange rules, which require timely disclosure of material information to the market.

Although Grant Samuel has not conducted an in depth comparison of these policies and reporting guidelines with the similar ASX requirements, there are strong similarities. For example, the TSX Policy Statement on Timely Disclosure states that:

- a listed company is required to disclose material information upon the information becoming known to management; and
- material information is defined as any information relating to the business and affairs of a company that results in or would reasonable be expected to result in a significant change in the market price or value of any on the company's listed securities.

This policy is comparable with the disclosure requirements of companies listed on ASX. A comparison of the relevant Australian and Canadian laws is outlined in the Scheme Booklet.

In addition, Sino Gold has confirmed to Grant Samuel that its due diligence investigation of Eldorado did not identify any information not already in the public domain that, in its view, would be likely to have a material impact on the share price.

Accordingly, Grant Samuel believes it reasonable to conclude that the market is fully informed in regard to Eldorado's business and financial position.

Annexure A

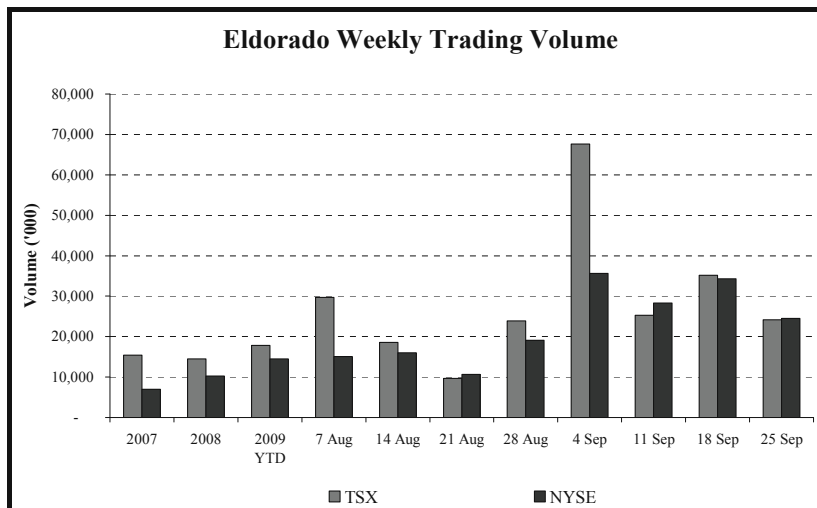
Independent Expert's Report

GRANT SAMUEL



8.7 Share Trading

The average weekly volume of trading in Eldorado shares since the start of August 2009 in comparison to average weekly trading in prior years is summarised below:



Source: Bloomberg and Grant Samuel analysis

Note: 2009 YTD represents the period from 1 January 2009 to 31 July 2009. NYSE refers to NYSE Amex.

Eldorado's average weekly trading volume has increased slightly on the TSX and doubled on the NYSE Amex over the period from 1 January 2007 to 31 July 2009. Average trading activity since then has impacted by two large trading events:

- 18.3 million share traded on TSX on 6 August 2009; and
- 43.9 million shares traded on TSX and 12.0 million shares traded on NYSE Amex on 3 September 2009, which included the Gold Fields disposal of 27.8 million shares.

The average weekly volume of shares traded and the average weekly number of share trades since the announcement of the Proposals have been above historical averages. This trading activity is not unusual as increased levels of trading typically follow the announcement of a transaction and there is nothing to indicate any material amount of short selling of Eldorado shares.

8.8 Impact of the Proposals

The acquisition of Sino Gold would have a major impact on Eldorado's operations and financial metrics.

The market has had limited financial information on the Combined Group. No detailed financial information on the Combined Group was provided at the time of the announcement of the Proposals. The Scheme Booklet only includes pro forma historical financial information for the Combined Group for the year ended 31 December 2008 and a half year to 30 June 2009, which does not include any estimate of potential synergies or costs savings associated with the Proposals

On the other hand, analysis of the Proposals is reasonably straightforward and there is no real change in the nature of Eldorado – it will continue to be a gold mining company with assets in Turkey, China and Greece, albeit with a greater exposure to China. Moreover, the combination of the Eldorado and Sino Gold businesses is not expected to result in material cost savings, given the nature of both businesses and their corporate structures. Cost savings are expected to be limited to

GRANT SAMUEL



costs associated with Sino Gold's board, senior management and head office in Sydney and other costs associated with being a listed company.

A number of analysts have been able to estimate the Combined Group's financials. As a result, it is likely that the synergies from the Proposals are already reflected in the share price, at least to a material extent.

8.9 Conclusion

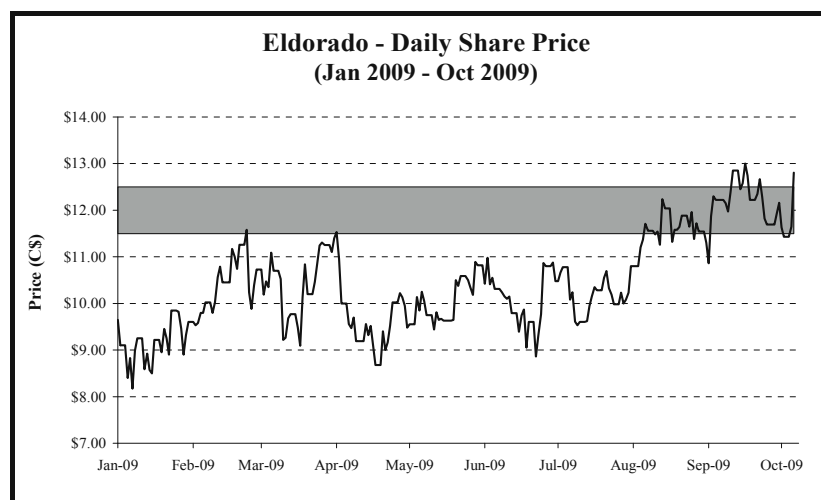
Share prices of gold companies tend to be volatile. Share prices can move significantly as a result in movements in the US\$ gold price, currency movements and shifts in global investor sentiment in relation to factors such as currency integrity and future inflation rates. In addition, share prices can fluctuate, perhaps significantly, depending on company specific operational issues. As a consequence it is not possible to be definitive about the likely market value of Eldorado shares after the Proposals are implemented.

Grant Samuel's judgement is that it is reasonable to adopt an Eldorado share price range of C\$11.50-12.50 per share for the purpose of valuing the Consideration. This price range for Eldorado shares implies the following multiples (calculated on the basis of a combined Eldorado/Sino Gold):

Consideration – Implied Multiples ⁷¹			
Period	Variable	Consideration	
		C\$11.50	C\$12.50
Gold Reserves (as at 31 Dec 08)	11.8Moz	465	506
Gold Resources (as at 31 Dec 08)	22.9Moz	240	262
Production (year ending 31 Dec 10)	604koz	9,155	9,964
EBITDA (year ending 31 Dec 10)	US\$327m	16.9	18.4

Note: Forecasts based Broker consensus forecasts

The share price range relative to recent Eldorado share trading history is shown below:



Source: Bloomberg

⁷¹ Assuming an Australian dollar Canadian dollar exchange rate of A\$1.00 = C\$0.95.

Annexure A

Independent Expert's Report

GRANT SAMUEL



Grant Samuel believes that it is reasonable to adopt this range for the following reasons:

- the range of \$11.50-12.50 reflects the most recent share market trading in Eldorado shares. It represents the market's current assessment of the trading value of Eldorado shares and appears to incorporate an expectation that the Proposals will proceed;
- while the range implies high multiples of reserves, resources, production and EBITDA, Eldorado has historically traded on high multiples. Analysis of Eldorado's production costs and expected growth in production indicates that there are good reasons for Eldorado's shares to trade at premium multiples;
- the range is consistent with brokers' target share prices for Eldorado. Eldorado is followed by numerous brokers' analysts;
- there are reasonable volumes of trading in Eldorado shares since the announcement of the Proposals; and
- analysis of the combined Eldorado and Sino Gold is relatively straightforward and there is no reason to believe that market participants are materially mis-pricing the effect of the combination of Eldorado and Sino Gold.

Overall, Grant Samuel has no reason to challenge the conclusion that recent Eldorado share prices represent an objective market based assessment of the trading value of Eldorado.

Based on an Australian dollar Canadian dollar exchange rate of A\$1.00 = C\$0.95 and an exchange ratio of 0.55, the value of the Consideration is estimated at \$6.66-7.24 per share.

The value of the Consideration will vary with movements in the Eldorado share price and the Australian dollar Canadian dollar exchange rate. The actual value received by Sino Gold shareholders could therefore ultimately exceed or be less than \$6.66-7.24 per Sino Gold share.

GRANT SAMUEL



9 Evaluation of the Proposals

9.1 Summary and Conclusions

In Grant Samuel's opinion, the Proposals are in the best interests of Sino Gold shareholders and optionholders, in the absence of a superior proposal.

Grant Samuel has estimated that the full underlying value of Sino Gold, including a control premium, is in the range \$5.98-6.76 per share. Grant Samuel has attributed value of \$6.66-7.24 per Sino Gold share to the Consideration, based on recent Eldorado share prices of C\$11.50-C\$12.50 per share. The value attributed to the Consideration falls right at the top end of the valuation range for Sino Gold. Accordingly, the Proposal is quite clearly fair and is therefore also reasonable.

The Proposal also represents a significant premium to Sino Gold's pre announcement share price.

The terms of the Proposal (in terms of the relative shareholdings of Eldorado and Sino Gold shareholders in the combined company) are broadly consistent with the relative contributions of reserves, resources, production and earnings from the two companies (particularly if Beyinhar is excluded from the metrics for Sino Gold). This analysis does not take into account the superior characteristics of Eldorado's operations in terms of operating costs and expected production growth.

Other important factors which Sino Gold shareholders should consider are:

- there appears to be little likelihood that a superior proposal from a third party will be put forward, given Eldorado's substantial shareholding and the sale process conducted by Gold Fields to find a buyer for its interest in Sino Gold;
- in the absence of the Proposal, shareholders would be unlikely in the short term to realise the value delivered by the Proposal (assuming the continuation of current market conditions) through selling their Sino Gold shares in the ordinary course of share market trading;
- the Proposal provides increased diversification for Sino Gold shareholders in terms of both assets and geographic exposure;
- Grant Samuel's judgement is that sovereign risk has limited impact on the underlying value of Sino Gold's assets. Shareholders of Sino Gold who believe that Chinese sovereign risk is a significant issue that materially affects the value of Sino Gold and its assets would presumably take a less positive view than Grant Samuel on the overall value of Sino Gold, which would tend to reinforce the conclusion that the Proposal is in shareholders' best interests. (On the other hand, Sino Gold shareholders should understand that Eldorado's operations may also be exposed to the impact of sovereign risk);
- with an approximate 25% interest in the Combined Group, Sino Gold securityholders will retain some exposure to any potential upside in Sino Gold's assets; and
- Sino Gold shareholders will be exposed to Eldorado's operating risks (e.g. further interruptions to production at Kışladağ) and the risk of a downwards re-rating of Eldorado's shares. Eldorado's shares trade at very high multiples of reserves, resources, production and earnings by comparison with its peer group. While there appear to be good reasons for Eldorado to enjoy a superior share market rating (principally its low production costs and expectations of strong production growth), there is clearly a risk that a market re-assessment of Eldorado will result in a fall in its share price.

9.2 Fair and Reasonable

The value attributed by Grant Samuel to the Consideration of \$6.66-7.24 per share falls at the very top end of the valuation range for Sino Gold. Accordingly, the Proposal is quite clearly fair and

Annexure A

Independent Expert's Report

GRANT SAMUEL



therefore also reasonable. The value of the Consideration will vary with movements in gold price and exchange rates (as well as other factors). However, the underlying value of Sino Gold should move broadly in line with the value of the Consideration as gold prices and exchange rates move.

Based on the volume weighted average price ("VWAP") for Eldorado shares for various periods prior to the announcement of the Proposals, the Consideration represents a significant premium to the Sino Gold pre announcement share prices:

Proposal – Implied Premiums at Announcement					
Date/Period	Sino Gold VWAP (\$)	Eldorado VWAP (\$)	VWAP Premium	Consideration Range Premium	
				\$6.66	\$7.24
1 day	5.92	13.11	22%	13%	22%
5 days	5.68	13.03	26%	17%	28%
1 month	5.58	12.55	24%	19%	30%
3 months	5.46	11.78	19%	22%	33%

Source: Bloomberg and Grant Samuel analysis

The Consideration range of \$6.66 to \$7.24 implies a premium to Sino Gold's VWAP before the announcement of the Proposal in the range 13-22% at the lower end and 22-33% at the higher end. Premiums in the case of change of control transactions are typically in the range of 25-40%. The Consideration at \$6.66 is below the lower end of this range, however the Consideration at \$7.24 is within this range.

An alternative to a conventional takeover approach is to examine the relative contributions of the two groups of shareholders compared to the share of the Combined Group that they will hold if the Proposal is implemented. The following table shows the proportions of reserves, resources, production and EBITDA that the two groups of shareholders will contribute:

Relative Contributions					
Variable	Sino Gold excl. Eldorado's interest		Eldorado incl. interest in Sino Gold	Sino Gold Contribution	
	Incl. Beyinhar	Excl. Beyinhar		Incl. Beyinhar	Excl. Beyinhar
Reserves at 31 December 2008	3.5	3.1	8.3	30%	27%
Resources at 31 December 2008	5.7	4.7	17.2	25%	21%
Six months ended 30 June 2009					
- Production ('000 ounces)	83.8	83.8	167	33%	33%
- EBITDA (US\$ million)	27.4	27.4	70.3	28%	28%
Sino Gold securityholders' interest in Combined Group				25%	25%

The analysis shows that Sino Gold shareholders' share of the Combined Group will be broadly consistent with their collective contribution of reserves, resources, production and EBITDA, particularly if resources and reserves for Beyinhar are excluded.

The analysis does not take into account the net cash position of Eldorado and the modest attributable net debt position of Sino Gold. It also does not take into account any asset quality differentials in terms of production costs, production growth potential or other factors. In Grant Samuel's view, however, it provides general support for the conclusion that the terms of the Proposal are fair having regard to the interests of Sino Gold shareholders.

G R A N T S A M U E L



9.3 Alternative Proposal

It is possible (at least in theory) that an alternative superior offer could be made for Sino Gold. Sino Gold has a number of attributes that could make it an attractive candidate for potential acquirers including, in particular, its proven track record of identifying, developing and operating gold mining operations in China.

However, as a practical matter there are good reasons to conclude that an alternative offer is unlikely:

- Eldorado's substantial shareholding effectively means that any alternative proposal could only proceed with Eldorado's approval and is a significant obstacle to any potential alternative buyer;
- an extensive sale process was conducted by Gold Fields to identify a buyer for its interest in Sino Gold but there was only limited interest;
- Sino Gold's assets are potentially not large enough to appeal to many of the world's larger gold companies;
- many of the world's larger gold companies do not have operations in China and an acquisition of Sino Gold would offer limited operational or strategic synergies;
- the \$21 million break fee is not insignificant given the size of Sino Gold; and
- given Eldorado's relatively high market rating and existing operations in China it can arguably offer greater value to Sino Gold shareholders than could many of its peers.

9.4 Standalone Alternative

Sino Gold shareholders could choose to vote against the Proposal and pursue a "stand alone" strategy. One basis for this might be a view that shareholders would realise more value at a later date. Sino Gold is going through a period of development with increasing production commencing at White Mountain and the imminent development of Eastern Dragon. On the other hand, the valuation of Sino Gold (and in Grant Samuel's view the value of the Consideration) takes into account the value of Sino Gold's growth prospects. Moreover, the Proposal allows Sino Gold shareholders to realise this value in the short term, rather than having continued exposure to the development risks associated with Sino Gold's growth prospects.

The Combined Group will also have characteristics that are relatively attractive by comparison with those of Sino Gold on a standalone basis, including:

- it will be a larger company with a stronger financial position;
- the combined company's greater market capitalisation, share trading liquidity and market profile should increase its attractiveness to gold investors and could mean that it has a lower cost of capital; and
- shareholders will have exposure to a more geographically and operationally diversified, lower cost business.

On the other hand, these factors should already be reflected in Eldorado's current share price and therefore in Grant Samuel's assessment of the value of the Consideration.

Grant Samuel believes that if the Proposal was not implemented there would be a risk of a material decline in Sino Gold's share price. The Proposal delivers a significant premium for control, which would not be available to Sino Gold shareholders in the context of share market trading for Sino Gold on a standalone basis. Moreover, the views expressed by Mining One in their report in relation to perceived limits to reserve upside at Jinfeng might result in a negative market reassessment of the longer term growth prospects for Sino Gold.

Annexure A

Independent Expert's Report

GRANT SAMUEL



9.5 Disadvantages and Transaction Costs

The key risks of the Proposal for Sino Gold shareholders relate in general to the elevated market ratings of Eldorado shares and in particular to environmental risks in relation to Eldorado's Kışladağ gold mine and Efemçukuru gold project in Turkey.

Eldorado's shares are trading at multiples of reserves, resources, production and earnings that are high relative to its peer group. Eldorado's low production costs and expected strong growth in production suggest that there are good reasons for Eldorado's premium rating, but there is clearly a risk that some change in market perception could result in a re-rating and, potentially, a significant fall in the Eldorado share price.

In particular, Eldorado's Kışladağ gold mine continues to be the subject of litigation in relation to alleged deficiencies in the mine's Environmental Impact Assessment. This litigation caused the suspension of production for six months over 2007 and 2008. The Kışladağ gold mine is by far Eldorado's largest and most valuable asset and any further interruption to production or significant adverse legal finding could materially affect Eldorado's share price. Although Eldorado's management has stated publicly that it believes the matters the subject of the litigation will be successfully defended, litigation is inherently uncertain and there can be no absolute assurance that this situation will be resolved satisfactorily. Eldorado's Efemçukuru gold project in Turkey has also experienced environmental planning issues and Eldorado is yet to acquire all the land and other permits required to commence development of the Efemçukuru gold project.

On one view, Turkish sovereign risk is at least as much of an issue for Eldorado as Chinese sovereign risk is for Sino Gold. Arguably, in relation to Sino Gold's current assets, sovereign risk is not significant, while the environmental permitting issues facing Eldorado in Turkey are a clear manifestation of sovereign risk.

Overall, these issues and risks should be well understood by analysts and investors and should be incorporated within the Eldorado share price. However, Sino Gold shareholders should understand that any extreme manifestation of these risks (such as a further interruption to production from Kışladağ or failure to secure the approvals required to commence development of the Efemçukuru gold project) could have a material adverse effect on the Eldorado share price. The extent of this effect could be exacerbated by a market re-assessment of the premium rating that Eldorado shares currently enjoy.

Sino Gold has estimated that the total transaction costs of the Proposal will be approximately \$17 million. These costs are one off costs and are not material in the overall context of Sino Gold. Of the total transaction costs, approximately \$3 million will have been incurred or committed at the time that Sino Gold shareholders vote on the Proposal. Therefore, the additional transaction costs that will be incurred if the Proposal proceeds are approximately \$14 million.

9.6 Ineligible Foreign Securityholders

Ineligible foreign securityholders will not receive Eldorado shares. The Eldorado shares that would otherwise have been issued to them will instead be issued to a nominee in trust for such shareholders, who will sell the shares and distribute pro rata the net proceeds to them. They may also have to pay tax on any profit on the disposal of their Sino Gold shares (in their country of residence). However:

- their Eldorado shares will be sold for market value; and
- they can acquire Eldorado shares through the TSX or Eldorado CDIs through ASX if they wish to retain an exposure to the Combined Group.

GRANT SAMUEL



9.7 Evaluation of the Option Proposal

Under the Option Proposal, all Sino Gold options on issue will be cancelled pursuant to an option scheme of arrangement in exchange for Eldorado shares based on the value of each option. The value of each option will depend on whether the options are in-the-money (i.e. their exercise price is lower than the Consideration), while the other will deal with out-of-the-money options (i.e. their exercise price is equal to or greater than the Consideration).

The value of in-the-money options will be determined on the basis of their intrinsic value: that is, the difference between the value of the Consideration and their exercise price. For this purpose, the value of the Consideration will be based on the VWAP of Eldorado shares for the five days before the announcement of the Proposals. Holders of in-the-money options will be offered Eldorado CDIs or shares with value equal to the value of their options. This approach to dealing with the in-the-money options is fair. The options will vest given that the Proposal represents a change of control transaction for the purposes of the option terms. Effectively, the holders of in-the-money options are being treated on the same basis as shareholders (without having to pay the exercise price), and are sharing in the control premium offered under the Proposal on the same basis as shareholders. Grant Samuel has concluded that the Proposal is fair and reasonable to, and in the best interests of, shareholders. Given that holders of in-the-money options are being treated on similar terms, it follows that the Option Proposal in respect of these optionholders is fair and reasonable and in their best interests.

Analysis of the value that applies to holders of out-of-the-money options is less straightforward. Optionholders with options out of the money will be offered Eldorado CDIs or shares equivalent to the value of the options calculated by reference to the Black-Scholes methodology. The share price for the purposes of the Black-Scholes calculation will be the value of the Consideration (based on the VWAP of Eldorado shares for the five days before the announcement of the Proposals) and a volatility of 44.7%.

The fundamental issue with using the Black-Scholes option valuation methodology (or other theoretical methodologies such as the binomial methodology) is that it is developed for the purpose of valuing an option by reference to a security that will continue to trade into the future. The key determinants of the “optionality” value in an option are the expected volatility of the underlying security and the remaining life of the option (i.e. the time to expiry). In the context of a change of control transaction, however, these concepts are not meaningful. While there are a number of possible approaches to valuing out-of-the-money options in the context of a change of control transaction, all have practical or theoretical deficiencies.

It could be argued that in the event of a change of control transaction out-of-the-money options have no value. Optionholders have a right to acquire ordinary shares upon exercise of their options, but do not have a right to a direct share of underlying value. On one view, the only way in which optionholders can share in underlying value is by exercising their options, receiving ordinary shares and accepting a takeover offer. Accordingly, the optionality component of option value (that part of the overall option value that reflects the option life and the volatility of the ordinary shares) is not relevant. Effectively, the optionality component of overall option value is surrendered to allow optionholders to share in underlying value. On this basis, the full underlying value attributable to options is equal to the estimated full underlying value per share, adjusted for the option exercise price. Any option out of the money (for which the exercise price is greater than the prevailing price) would have no value.

An alternative view is that the estimated full underlying value of Sino Gold needs to be allocated between shareholders and holders of options on a basis that reflects the differing rights of the holders of different classes of securities. Holders of options have a different risk/return profile from shareholders as options offer unlimited exposure to upside but limited exposure to downside risks. It is clear that Sino Gold’s out-of-the-money options had at least some value immediately prior to the announcement of the Proposal. It would appear unfair that this value was effectively expropriated. On this view a minimum value for the out-of-the-money options would be the value of options immediately before the announcement of the Proposal, based on the share price and

Annexure A

Independent Expert's Report

G R A N T S A M U E L



volatility expectations at the time. In addition, it could be argued that some further value should be attributed to the options, to reflect some sharing in the control premium. However, there is no theoretical basis for determining how this share of control premium should be determined.

One approach is to estimate option values using as inputs the transaction value (rather than pre-announcement trading price) and zero or very limited volatility. This volatility assumption is adopted in an attempt to reflect the fact that the volatility of the underlying security will generally dramatically reduce once the terms of a takeover proposal have been settled. However, adoption of this assumption is essentially an acknowledgement that the Black-Scholes approach is not appropriate in this context. Moreover, for holders of out-of-the-money options it could result in a lower estimate of value than estimates of value based on pre-announcement share prices and expected volatilities.

The approach used under the Option Proposal for determining the value of out-of-the-money Sino Gold options is to use as inputs to the Black-Scholes model the Consideration value and a volatility reflective of continuing trading. This is clearly not consistent with the underlying assumptions of the Black-Scholes approach, because it essentially represents a mis-match, with post-transaction "price" being combined with pre-transaction volatility. Grant Samuel's analysis suggests that a volatility assumption of 44.7% would be within a range of reasonable assumptions of volatility for Sino Gold share if it was assumed that its shares were going to continue to trade. As a practical matter, however, this is likely to result in a relatively favourable outcome for holders of out-of-the-money options. It will result in the attribution of higher values than option holders would realise under other approaches. Whilst this approach may not be theoretically "correct", in Grant Samuel's view it represents a generous basis for dealing with holders of options that are out of the money. In Grant Samuel's view, this approach to dealing with out-of-the-money options is fair and reasonable and in the best interests of holders of those options.

Overall, Grant Samuel has concluded that the Option Proposal is fair and reasonable and accordingly is in the best interests of optionholders.

9.8 Taxation Issues

Details of the taxation consequences of the Proposals for Australian resident and foreign securityholders are set out in the Scheme Booklet. In any event, the taxation consequences for securityholders will depend upon their individual circumstances. If in any doubt, securityholders should consult their own professional adviser.

9.9 Securityholder Decision

The decision whether to vote for or against the Proposals is a matter for individual securityholders based on each securityholder's views as to value, their expectations about future market conditions and their particular circumstances including risk profile, liquidity preference, investment strategy, portfolio structure and tax position. In particular, taxation consequences may vary from securityholder to securityholder. If in any doubt as to the action they should take in relation to the Proposals, securityholders should consult their own professional adviser.

Similarly, it is a matter for individual securityholders as to whether to buy, hold or sell securities in Sino Gold or Eldorado. This is an investment decision, independent of a decision on whether to vote for or against the Proposals, upon which Grant Samuel does not offer an opinion. Securityholders should consult their own professional adviser in this regard.

GRANT SAMUEL

**10 Qualifications, Declarations and Consents****10.1 Qualifications**

The Grant Samuel group of companies provide corporate advisory services (in relation to mergers and acquisitions, capital raisings, debt raisings, corporate restructurings and financial matters generally), property advisory services, manages specialist funds and provides marketing and distribution services to fund managers. The primary activity of Grant Samuel & Associates Pty Limited is the preparation of corporate and business valuations and the provision of independent advice and expert's reports in connection with mergers and acquisitions, takeovers and capital reconstructions. Since inception in 1988, Grant Samuel and its related companies have prepared more than 415 public independent expert and appraisal reports.

The persons responsible for preparing this report on behalf of Grant Samuel are Stephen Cooper BCom (Hons) ACA CA(SA) ACMA and Sarah Morgan BE (Hons) MBA MAusIMM. Each has a significant number of years of experience in relevant corporate advisory matters. Matt Leroux M.Aero.E MBA assisted in the preparation of the report. Each of the above persons is an authorised representative of Grant Samuel pursuant to its Australian Financial Services Licence under Part 7.6 of the Corporations Act.

10.2 Disclaimers

It is not intended that this report should be used or relied upon for any purpose other than as an expression of Grant Samuel's opinion as to whether the Proposals are in the best interests of securityholders. Grant Samuel expressly disclaims any liability to any Sino Gold shareholder who relies or purports to rely on the report for any other purpose and to any other party who relies or purports to rely on the report for any purpose whatsoever.

This report has been prepared by Grant Samuel with care and diligence and the statements and opinions given by Grant Samuel in this report are given in good faith and in the belief on reasonable grounds that such statements and opinions are correct and not misleading. However, no responsibility is accepted by Grant Samuel or any of its officers or employees for errors or omissions however arising in the preparation of this report, provided that this shall not absolve Grant Samuel from liability arising from an opinion expressed recklessly or in bad faith.

Grant Samuel has had no involvement in the preparation of the Scheme Booklet issued by Sino Gold and has not verified or approved any of the contents of the Scheme Booklet. Grant Samuel does not accept any responsibility for the contents of the Scheme Booklet (except for this report).

10.3 Independence

Grant Samuel and its related entities do not have at the date of this report, and have not had within the previous two years, any shareholding in or other relationship with Sino Gold or Eldorado that could reasonably be regarded as capable of affecting its ability to provide an unbiased opinion in relation to the Proposals.

Grant Samuel had no part in the formulation of the Proposals. Its only role has been the preparation of this report.

Grant Samuel will receive a fixed fee of \$525,000 for the preparation of this report. This fee is not contingent on the outcome of the Proposals. Grant Samuel's out of pocket expenses in relation to the preparation of the report will be reimbursed. Grant Samuel will receive no other benefit for the preparation of this report.

Grant Samuel considers itself to be independent in terms of Regulatory Guide 112 issued by the ASIC on 30 October 2007.

Annexure A

Independent Expert's Report

GRANT SAMUEL



10.4 Declarations

Sino Gold has agreed that it will indemnify Grant Samuel and its employees and officers in respect of any liability suffered or incurred as a result of or in connection with the preparation of the report. This indemnity will not apply in respect of the proportion of any liability found by a court to be primarily caused by any conduct involving negligence or wilful misconduct or misleading or deceptive conduct of Grant Samuel. Sino Gold has also agreed to indemnify Grant Samuel and its employees and officers for time spent and reasonable legal costs and expenses incurred in relation to any inquiry or proceeding initiated by any person. Any claims by Sino Gold are limited to an amount equal to the fees paid to Grant Samuel. Where Grant Samuel or its employees and officers are found to have been negligent or engaged in wilful misconduct or misleading or deceptive conduct of Grant Samuel shall bear the proportion of such costs caused by its action.

Advance drafts of this report were provided to Sino Gold and its advisers. Advance drafts of Section 5 of this report were also provided to Eldorado. Certain changes were made to the drafting of the report as a result of the circulation of the draft report. There was no alteration to the methodology, evaluation or conclusions as a result of issuing the drafts.

10.5 Consents

Grant Samuel consents to the issuing of this report in the form and context in which it is to be included in the Scheme Booklet to be sent to shareholders of Sino Gold. Neither the whole nor any part of this report nor any reference thereto may be included in any other document without the prior written consent of Grant Samuel as to the form and context in which it appears.

10.6 Other

The accompanying letter dated 9 October 2009 and the Appendices form part of this report.

Grant Samuel has prepared a Financial Services Guide as required by the Corporations Act. The Financial Services Guide is set out at the beginning of this report.

GRANT SAMUEL & ASSOCIATES PTY LIMITED
9 October 2009

GRANT SAMUEL



Appendix 1

Eldorado Broker Forecasts

As part of Grant Samuel's analysis to determine the value of the Consideration, Grant Samuel has compared Eldorado's multiples of production and earnings with selected comparables companies. Grant Samuel has not had access to non public information concerning Eldorado and Eldorado has not published forecasts except for a production guidance for the year ending 31 December 2009. Accordingly, Grant Samuel has used broker forecasts for this analysis.

The following table sets out the brokers forecasts used in the analysis:

Eldorado – Broker Forecasts for the Year ending 31 December					
Broker	Date	Production ('000 ounces)		EBITDA ¹ (US\$ millions)	
		2009	2010	2009	2010
Broker 1	13-Aug-09	na ²	na	162.0	214.0
Broker 2	28-Aug-09	327	361	153.0	na
Broker 3	27-Aug-09	325	376	na	na
Broker 4	11-Sep-09	na	na	155.3	na
Broker 5	30-Jul-09	309	335	154.0	177.0
Broker 6	27-Aug-09	332	393	168.0	209.3
Broker 7	26-Aug-09	312	315	132.0	127.0
Broker 8	4-Aug-09	324	427	na	na
Broker 8	27-Aug-09	323	331	144.9	186.3
Broker 8	28-Aug-09	330	465	na	na
Broker 8	27-Aug-09	336	na	166.3	na
Broker 8	27-Aug-09	318	na	172.7	na
Broker 8	4-Aug-09	318	382	149.2	227.6
Broker 8	27-Aug-09	373	na	na	na
Broker 8	15-Sep-09	na	na	158.8	186
Broker 8	28-Aug-09	331	na	165.9	247.6
<i>Minimum</i>		<i>310</i>	<i>315</i>	<i>132.0</i>	<i>127.0</i>
<i>Maximum</i>		<i>373</i>	<i>465</i>	<i>172.7</i>	<i>247.6</i>
<i>Median</i>		<i>325</i>	<i>376</i>	<i>157.1</i>	<i>197.8</i>
<i>Average</i>		<i>328</i>	<i>376</i>	<i>156.8</i>	<i>196.9</i>

Source: Brokers' reports, Grant Samuel analysis

When reviewing this data the following should be noted:

- the forecasts presented above represent the latest available broker forecasts for Eldorado;
- the brokers presented are the most recent reports from those brokers who have published research on Eldorado following the release of Eldorado's June quarterly ;
- Grant Samuel is aware of a number of other brokers that follow Eldorado but these brokers have not released any research on Eldorado recently that includes production or earnings forecasts; and
- the broker forecasts are not prepared on a consistent basis.

¹ EBITDA is as presented as reported brokers.

² na represents not available.

G R A N T S A M U E L



Appendix 3

Valuation Concepts for Gold Projects

1 Overview

Despite the extensive analysis of gold companies and gold projects by analysts, valuers and other market commentators, there is little consensus on an appropriate basis for the valuation of gold assets. While the discounted cash flow (“DCF”) methodology is frequently applied to valuing gold companies and gold projects, there is considerable uncertainty about the extent to which the results properly explain observed market values. This uncertainty is reflected in the reliance on rules of thumb based on quantities of gold reserves and resources and the frequent use of DCF valuations as an indicator of relative rather than absolute value. This Appendix examines some difficulties inherent in using the DCF methodology to value gold companies and gold projects and examines modifications to the DCF approach to obtain more meaningful results. In particular, the Appendix sets out the theoretical background to Grant Samuel’s adoption of the gold futures methodology as its preferred approach to the valuation of gold assets.

2 Limitations of the discounted cash flow methodology

Although the DCF methodology is widely used for valuing gold projects, it has a number of shortcomings. Most importantly, the ability of DCF valuations to explain the value of gold assets is at best limited. The value of gold assets estimated by DCF valuations is frequently substantially less than the value of the assets observable by reference to equity market values or the price at which the assets are purchased and sold. This is particularly the case with long life gold assets. DCF analysis attributes little value to the later years of production of such long life assets.

Some of the difference between values estimated using the DCF methodology and market values may be explained by reference to exploration and development potential not explicitly captured by the DCF methodology. Analysts and other gold market observers frequently refer to a “gold premium” to explain the residual difference between DCF valuations and market values. In Grant Samuel’s view, this is unsatisfactory. The notion of a “gold premium” does not provide an intellectually rigorous and replicable technique for valuing gold assets. To the contrary, it represents no more than a confirmation that DCF valuations frequently fail to explain the observable value of gold assets.

In summary, it appears that the DCF methodology as traditionally applied may be flawed for the valuation of gold assets. This view is supported by:

- the diversity of assumptions made by valuers as to discount rates and future gold prices; and
- the poor predictive power of DCF analysis when applied to the valuation of gold assets.

2.1 Selection of Discount Rates

Discount rates are normally estimated by reference to the cost of capital of a company or the industry in which it trades. The cost of capital is usually calculated as the weighted average cost of equity and debt. The cost of equity is commonly estimated on the basis of the Capital Asset Pricing Model (“CAPM”). This in turn requires an estimate of the beta to apply to the valuation process.

Published valuations of gold assets have made a variety of assumptions regarding the betas of gold companies. The betas used have been generally in the range 0.5 to 1.5. The range of betas reflects, amongst other factors, differing assumptions regarding the appropriate share market against which to measure returns on gold stocks. Betas estimated against the Australian share market are commonly in the approximate range 1.0 to 1.5. However, if it is assumed that the marginal price setting investor in a gold company is an international investor, then the appropriate share market against which to measure the correlation of returns on gold stocks is an international share market. Betas measured on this basis may range between 0 and 0.5.

Annexure A

Independent Expert's Report

GRANT SAMUEL



In Grant Samuel's view the available evidence is insufficient to reach any firm conclusion as to the value of betas for Australian gold companies. There is unlikely to be any single correct beta for a company. In any event, the relevant beta is not the beta measured using historical data or a particular statistical technique but rather the beta used or implicit in the pricing decisions of investors in and acquirers of gold assets. Betas for gold companies in which domestic investors are likely to be the price setters may broadly be in the approximate range 0.7 – 1.3. The beta of a gold company is likely to reduce as the perceived quality and expected life of its assets increase, the company is able to attract international investment and its shares are traded more deeply. For large gold companies or assets in which foreign investors are likely to be the price setters a beta in the range 0.0 - 0.5 appears reasonable.

2.2 Forecasting of Future Gold Prices

Projecting future gold prices for the purpose of calculating expected revenues from gold mining operations also involves uncertainty. The gold price has historically demonstrated considerable volatility.

Valuers use a wide variety of assumptions regarding future gold prices, including assumptions that:

- the current real spot price, expressed in US dollar terms, will continue for the foreseeable future. This assumption is defensible on the basis that the current spot price should incorporate market expectations regarding the future spot price. However, DCF valuations using this assumption typically undervalue gold assets by substantial margins;
- there will be real movements in gold prices. Such assumptions amount to a belief that the valuer has a better view of the gold market than the market in general;
- gold prices will be realised on the basis of actual gold company hedging policies. This assumption results in the use of higher gold prices for part of the output from a gold project. While it is true that actual hedge positions will add to or subtract from value, Grant Samuel is not aware of any evidence that hedging programs increase value on a prospective basis. To the contrary, there is a common market view that hedging reduces investor interest in gold stocks and destroys value; and
- all gold will be sold at prices equal to the prices currently obtainable for future delivery of gold ("futures prices"). The use of futures prices may be justified on the basis that futures prices provide a reliable indicator of the value of future gold production. However, the use of futures prices is not obviously consistent with traditional DCF methodology. The DCF methodology involves the estimation of expected future cash flows. The gold futures price is not equal to the expected future spot gold price. Use of the gold futures price will result in the estimation of "notional cash flows" that are not equal to expected actual future cash flows. Moreover, use of the gold futures price represents an adjustment in full for gold price risk. To the extent that gold price risk is a component of non-diversifiable risk, use of the gold futures price and a discount rate estimated using the conventional CAPM framework may result in an effective "double-counting" of some or all of the gold price risk.

3 Gold Futures Methodology

Theoretical valuation methodologies such as the DCF methodology are based on the premise that the value of an asset or project can be estimated by identifying a portfolio of financial assets of similar cash flow and risk characteristics and extrapolating the value of that portfolio. The DCF methodology assumes that the appropriate analogous asset portfolio is a portfolio of riskless bonds and increases the discount rate to adjust for the additional risks involved in real assets.

It is not clear that the conventional DCF methodology is the most appropriate methodology for valuing gold mining projects. There is a body of argument that suggests that the analogous asset portfolio for gold projects is a portfolio comprised of bonds and gold or bonds and futures contracts over gold. Valuation models which attempt to incorporate the value of management flexibility assume that a mining project may

GRANT SAMUEL



be viewed as a portfolio of complex options over the commodity being mined. However, such an analysis increases practical complexities substantially. This section of the Appendix discusses the valuation of gold projects on the basis that the value of gold projects may be estimated by reference to the value of asset portfolios consisting of bonds and either gold futures or physical gold.

The limited usefulness of the DCF methodology for valuing gold assets may be a consequence of the fact that gold is not a commodity. Rather, it is commonly viewed as a financial asset. Through the gold futures market, it is possible to earn returns on gold commensurate with the returns on low risk financial instruments.

The gold futures market also provides a precise measure of the present value of gold delivered at some time in the future. A gold futures contract is a contract to buy and sell a quantity of gold for a specified price (the “futures price”) to be delivered at some point in the future. The present value of the future gold delivery is given by the futures price discounted at the risk free rate for the period to delivery of the gold.

Valuation of a gold project requires the subtraction of the present value of future extraction costs from the present value of future gold production. Future gold production may be represented as a series of expected gold deliveries. Expected gold deliveries are defined as the mean of all probability adjusted gold deliveries. These expected gold deliveries can be valued by reference to the relevant futures prices, discounted at the risk free rate. This does not represent an attempt to estimate actual future gold revenues. Rather, it is a means of estimating the current value of future gold production. It is argued that it is appropriate to use the risk free rate to value future production because:

- all gold price risk has been taken into account through the use of futures prices;
- development, mining and related risks have been taken into account by using expected future gold production. Expected future gold production represents risk adjusted future gold production; and
- other risks associated with gold revenues should be fully diversifiable. Accordingly, diversified portfolio investors would require no return above the risk free rate.

Use of the risk free rate does not suggest that the cash flows from any asset are certain or risk free. It implies only that the cash flows are not subject to any systematic risk. Therefore, given that all specific (non-systematic) risks can be diversified away on a portfolio basis, it is appropriate to apply the risk free rate.

Consequently, the present value of a gold mining project is given by the present value of future production less the present value of future extraction costs. This may be represented as follows:

$$PV = \sum \frac{P_t \times F_t}{(1 + Rf)^t} - \sum \frac{C_t}{(1 + Rf)^t}$$

where

PV is the present value of the gold mine given by summing the present value for future production less the present value of future costs;

F_t is the gold futures price for delivery in each future period t ;

P_t is the expected production in each period t ;

C_t is the expected extraction cost in each period t ; and

Rf is the risk free rate for duration t .

Gold producers are frequently unable to write gold futures contracts for more than five years. For valuation purposes, however, gold futures prices can be estimated for longer periods. Gold futures prices may be estimated by compounding the current spot price at the risk free rate for the period of the futures contract. This may be represented as follows:

$$F_t = S_0(1 + Rf)^t$$

where

Annexure A

Independent Expert's Report

G R A N T S A M U E L



S_0 is the spot gold price at time 0.

This simplifies the earlier present value for a gold mine to the following:

$$PV = \sum P_t \times S_0 - \sum \frac{C_t}{(1 + Rf)^t}$$

Accordingly, gold projects maybe valued by valuing expected future gold production at the current spot gold price, without discounting, and subtracting expected future extraction costs, discounted at the risk free rate.

Gold producers typically achieve a contango (the premium to the current spot price) through the futures market that is somewhat less than the current spot price compounded at the risk free rate. This discount reflects counter-party or credit risk and transaction costs. As between credit risk free counter-parties, the gold futures price should always be equal to the current spot price compounded at the risk free rate. If the gold futures price was less than the current spot price compounded at the risk free rate, holders of gold could lock in infinite risk free profits. They could sell their gold, invest the amount realised in risk free bonds and buy back the equivalent volume of gold in the futures market at a price less than the proceeds and accumulated interest from their bond holdings. Conversely, if the gold futures price was greater than the current spot compounded at the risk free rate, infinite risk free profits could be secured by selling bonds (or borrowing), buying gold in the spot market, delivering the gold into futures contracts and repurchasing the bonds.

Gold producers are not risk free counter-parties. However, for the purpose of valuing expected future gold production, it is appropriate to assume that the futures price is given by the current spot price compounded at the risk free rate. Counter-party and other diversifiable risks are taken into account through the process of estimating *expected* future production, which represents risk-adjusted production.

The valuation of gold projects by reference to the gold futures market (“gold futures methodology”) does not reflect general practice. However, this approach has a strong theoretical underpinning. Its conclusions are consistent with the common market rules of thumb for valuing gold companies and gold projects on the basis of the quantity of gold in reserves and resources.

Aspects of the gold futures methodology have been incorporated in a variety of valuations. Various published valuations of long life Australian mining assets have used spot gold prices compounded at the risk free rate as proxies for the expected future spot price.

Although gold futures pricing is not commonly used in Australia it is indirectly supported by international market practice. US gold analysts frequently use a zero discount rate in valuing US gold projects. Use of a zero discount rate is equivalent to valuing future gold production at current spot prices on an undiscounted basis, although it may overstate the present value of future production costs. The market capitalisation of the majority of large, well traded gold companies is better explained by DCF analysis using a zero discount rate than by traditional DCF analysis using a discount rate representing estimates of weighted average cost of capital.

The following table sets out a summary of selected broker estimates of value based on DCF analysis for Newcrest Mining Limited and Lihir Gold Limited, two of the largest Australian listed gold companies:

GRANT SAMUEL



Summary of Selected Broker NPV estimates				
	Date of Report	Discount Rate (%)	DCF valuation implied share price (\$/share)	Target share price (\$/share)
Newcrest Mining Limited				
Broker 1	18 Aug 2009	5.0	18.99	38.00
Broker 2	18 Aug 2009	n.a.	12.34 - 13.04	35.00
Broker 3	17 Aug 2009	6.0	22.51	34.00
Broker 4	17 Aug-2009	5.0 ¹	29.35	47.00
Broker 5	17 Aug 2009	5.8 ¹	16.90	34.70
Lihir Gold Limited				
Broker 1	7 Sep 2009	5.0	2.15	3.60
Broker 2	27 Aug 2009	n.a.	US\$0.83 - 1.16	US\$2.81
Broker 3	26 Aug 2009	7.0	2.16	3.20
Broker 4	26 Aug 2009	5.0 ¹	2.08	3.30
Broker 5	26 Aug 2009	9.6 ²	1.54	3.00

Source: Broker reports.

The broker estimated DCF values are, in general, significantly less than the recent share prices of Newcrest Mining Limited (around \$34 per share) and Lihir Gold Limited (around \$3 per share) and the broker target share prices.

¹ Real discount rate.

² DCF analysis using 9.6% real pre-tax, unleveraged discount rate for PNG and Ivory Coast operations and 5.5% discount rate for Australian mines.

Annexure A

Independent Expert's Report

GRANT SAMUEL



Appendix 4

Report by Mining One Pty Ltd



TECHNICAL SPECIALIST'S REPORT

SINO GOLD MINING LIMITED

For

GRANT SAMUEL & ASSOCIATES PTY LTD

Job No.
Doc No.
Date:

Prepared by:

1363_M
2041
October 2009
G Davison, M McKeown, M Van Leuven,
D. Foster, T Summons, M Botting

Mining One Pty Ltd
Level 2, 455 Bourke St
Melbourne Vic 3000
T: +61 3 9600 3588
F: +61 3 9600 3944

FINAL REPORT

Annexure A

Independent Expert's Report

SINO GOLD MINING LIMITED
TECHNICAL SPECIALIST'S REPORT



ABBREVIATIONS USED IN THIS REPORT

BFS	Bankable Feasibility Study
BIOX	bio-oxidation
CIL	carbon in leach
CS	conditional simulation
EL	Exploration Licence
Eldorado	Eldorado Gold Corporation
Grant Samuel	Grant Samuel & Associates Pty Ltd
LOM	life of mine
MIK	multiple indicator kriging
M1	Mining One Pty Ltd
Sino Gold	Sino Gold Mining Limited
tpa	tonnes per annum
TSF	tailings storage facility
VALMIN	Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports

SINO GOLD MINING LIMITED
TECHNICAL SPECIALIST'S REPORT



TABLE OF CONTENTS

EXECUTIVE SUMMARY	vi
1 SCOPE OF ENGAGEMENT	1
2 STATEMENT OF INDEPENDENCE AND COMPETENCY	2
3 NOTES REGARDING THIS REPORT	3
3.1 Disclaimer	3
3.2 Embedded References in this Report	3
4 DESCRIPTION OF ASSETS	4
4.1 Introduction	4
4.2 Jinfeng	4
4.2.1 Location	4
4.2.2 History	4
4.2.3 Infrastructure and labour	5
4.2.4 Local Geology	5
4.2.5 Mineral Resources	7
4.2.6 Mining Methods	8
4.2.7 Ore Reserves	10
4.2.8 Reconciliation of Resources and Reserves	12
4.2.9 Valuation Case	13
4.2.10 Potential for further ore discovery	16
4.2.11 Processing	16
4.2.12 Operating Costs	19
4.2.13 Capital Costs	19
4.2.14 Summary of Cost Estimates	20
4.3 White Mountain	22
4.3.1 Location	22
4.3.2 History	22
4.3.3 Infrastructure and labour	23
4.3.4 Local Geology	23
4.3.5 Mineral Resources	26
4.3.6 Mining methods	26
4.3.7 Ore Reserves	27
4.3.8 Reconciliation of Resources and Reserves	29
4.3.9 Life of Mine Plan	29
4.3.10 Processing	31
4.3.11 Operating Costs	33
4.3.12 Capital Costs	33
4.3.13 Summary of Cost Estimates	34
4.4 Eastern Dragon	38
4.4.1 Location	38
4.4.2 History	38
4.4.3 Tenement Status	39
4.4.4 Infrastructure and labour	39
4.4.5 Local Geology	39
4.4.6 Mining Methods	41
4.4.7 Mineral Resources and Ore Reserves	42
4.4.8 Valuation Cases	44

Annexure A

Independent Expert's Report

SINO GOLD MINING LIMITED
TECHNICAL SPECIALIST'S REPORT



4.4.9	Processing	46
4.4.10	Capital Costs	46
4.4.11	Operating Costs	46
4.4.12	Potential for Upside	47
4.4.13	Summary of Cost Estimates	51
4.5	Beyinhar	54
4.5.1	Introduction and Location	54
4.5.2	Geological description	55
4.5.3	Mineral Resources and Ore Reserves	57
4.5.4	Valuation Analysis	58
5	EXPLORATION PROJECTS	59
5.1	Introduction	59
5.2	Prospective Project Locations	59
5.2.1	Northern China – Eastern Dragon district	59
5.2.2	North Eastern China - White Mountain district	59
5.2.3	Western China	59
5.2.4	Southern China - Jinfeng district	59
5.3	Valuation Strategies	59
5.3.1	Introduction	59
5.3.2	Classifications	60
5.3.3	Methodology	60
5.4	Results	60
5.4.1	Eastern Dragon EL 53	60
5.4.2	Banmiaozhi (White Mountain SW F100)	61
5.4.3	Dongdapo	61
5.4.4	Xiaoshiren SW	61
5.4.5	Caijiagou	61
5.4.6	Jinshu	61
5.4.7	Dagou - Naxi	62
5.4.8	Yandan	62
5.5	Summary	62
6	REFERENCES	63
7	APPENDICES	64

TABLE INDEX

Table 1	M1 Personnel involved in review	2
Table 2	Jinfeng Mineral Resources – 31 December 2008	8
Table 3	Jinfeng Ore Reserves -31 December 2008	11
Table 4	Jinfeng Mine open-cut and ore stockpile Ore Reserves – 31 December 2008	12
Table 5	Jinfeng underground Ore Reserves – 31 December 2008	12
Table 6	Jinfeng Mine – additions required to Sino Gold's LOM plan due to corrections	14
Table 7	Jinfeng Mine – additions to be made to Sino Gold's LOM plan due to inclusion of some underground Inferred Mineral Resources	14

SINO GOLD MINING LIMITED
TECHNICAL SPECIALIST'S REPORT



Table 8 Jinfeng Mine Ore Schedule – Valuation Case	15
Table 9 Jinfeng below -220m RL – diamond drill hole intersections	16
Table 10 Jinfeng Mine processing schedule – Valuation Case.....	18
Table 11 Jinfeng operating costs – Valuation Case	20
Table 12 Jinfeng capital costs – Valuation Case	21
Table 13 2009 White Mountain Mineral Resources – 31 December 2008	26
Table 14 White Mountain Ore Reserves – 31 December 2008	28
Table 15 White Mountain Ore Reserve – split between pyrite ore and oxide ore	28
Table 16 White Mountain – mine production schedule for Case 1	30
Table 17 White Mountain – mine production schedule for Case 2	30
Table 18 White Mountain - processing schedule for Case 1.....	32
Table 19 White Mountain – processing schedule for Case 2.....	32
Table 20 White Mountain LOM operating costs – Case 1.....	34
Table 21 White Mountain LOM capital costs – Case 1	35
Table 22 White Mountain LOM operating costs – Case 2.....	36
Table 23 White Mountain LOM capital costs – Case 2	37
Table 24 Eastern Dragon Mineral Resources – 31 December 2008	43
Table 25 Eastern Dragon Ore Reserves – 31 December 2008	43
Table 26 Eastern Dragon production schedule – Case 1	45
Table 27 Eastern Dragon – ore grade intersections to the north of the currently defined Inferred Mineral Resource.....	50
Table 28 Eastern Dragon operating costs – Case 1	51
Table 29 Eastern Dragon capital costs – Case 1.....	51
Table 30 Eastern Dragon operating costs – Case 2	52
Table 31 Eastern Dragon capital costs – Case 2.....	53
Table 32 Beyinhar Mineral Resources – 31 December 2008	58
Table 33 Beyinhar Ore Reserves – 31 December 2008	58

FIGURE INDEX

Figure 1 Jinfeng Mine - location	4
Figure 2 Jinfeng – geological cross section at 1840mE.....	6
Figure 3 Jinfeng – geological map showing major structures	7
Figure 4 Jinfeng Mine – oblique view of open-cut and underground workings	10
Figure 5 Jinfeng Processing Plant – schematic drawing.....	17

Annexure A

Independent Expert's Report

SINO GOLD MINING LIMITED
TECHNICAL SPECIALIST'S REPORT



Figure 6 Location of White Mountain Gold Mine	22
Figure 7 White Mountain – schematic geological plan	23
Figure 8 White Mountain – longitudinal projection	24
Figure 9 White Mountain – cross-section 36	25
Figure 10 White Mountain – longitudinal projection	27
Figure 11 Eastern Dragon - location	38
Figure 12 Eastern Dragon – schematic geology plan	40
Figure 13 Eastern Dragon – cross-section 5,459,338N	41
Figure 14 Eastern Dragon – longitudinal projection showing location of Mineral Resources	44
Figure 15 Eastern Dragon – longitudinal projection showing some drilling results	48
Figure 16 Eastern Dragon – longitudinal projection showing recent drilling results	49
Figure 17 Beyinhar - location	54
Figure 18 Beyinhar – geology plan	55
Figure 19 Beyinhar – geological cross-section 10000mE (mine grid)	56
Figure 20 Beyinhar – Au grade*thickness longitudinal projection	57

APPENDICES

- A. M1 Capability Statement

SINO GOLD MINING LIMITED
TECHNICAL SPECIALIST'S REPORT



EXECUTIVE SUMMARY

Introduction

On 25 August 2009, Sino Gold Mining Limited ("Sino Gold") executed a Scheme Implementation Deed with Eldorado Gold Corporation ("Eldorado") through which Eldorado will acquire all the outstanding shares in Sino Gold it does not already own ("Scheme"). Sino Gold has engaged Grant Samuel & Associates Pty Ltd ("Grant Samuel") to provide a report as to whether the Scheme is in the best interests of Sino Gold shareholders ("Assignment"). Grant Samuel has appointed Mining One Pty Ltd ("M1") to provide technical advice in relation to the Assignment ("Subsidiary Assignment").

General

As part of the Subsidiary Assignment Mining One Pty Ltd ("M1") have reviewed estimates of resources and reserves, capital costs, production and operating costs for Sino Gold's mining operations as provided by Sino Gold. M1 have factored in some modifications and believe the resultant resource /reserve/production/cost projections are reasonable.

M1 have provided a number of development / production scenarios to Grant Samuel. These scenarios reflect upon the specific issues relating to each asset and are also based on extensions to current reserves and/or the potential for variations in future production rates. M1 believes the modelling scenarios are based on reasonable grounds.

M1 have complied with the requirements of the VALMIN Code. M1 Technical Specialist's report is to be appended to Grant Samuel's report.

Jinfeng

The Jinfeng Gold mine is located in an agricultural area of Guizhou Province in southern China about 240km south-west of the provincial capital of Guiyang.

The report of Sino Gold's most recent Mineral Resource estimate for Jinfeng was as at 31 December 2008.

Although M1 have not systematically or comprehensively reviewed the block model or the underlying data on which the Mineral Resource estimate was based, Sino Gold's report of Mineral Resources and Ore Reserves conforms with the JORC code and, given that the mine is in the early days of production and that some improvements to the Mineral Resource model have been indicated by reconciliations, the Mineral Resource estimate appears reliable.

Jinfeng Mineral Resources – 31 December 2008

	Category	Million Tonnes	Grade g/t Au	Gold '000oz
Jinfeng	Measured	18.0	4.8	2,750
	Indicated	11.0	4.5	1,580
	Sub-Total M+I	29.0	4.7	4,330
	Inferred	5.4	3.9	674
	Total Jinfeng	34.2	4.5	5,004

Note: Measured and Indicated Mineral Resources are inclusive of Ore Reserves.

Annexure A

Independent Expert's Report

SINO GOLD MINING LIMITED
TECHNICAL SPECIALIST'S REPORT



At Jinfeng, mining is by open-cut and is planned from underground by cut-and fill.

The report of Sino Gold's most recent Ore Reserve estimate for Jinfeng was as at 31 December 2008.

Jinfeng Ore Reserves – 31 December 2008

	Category	Million Tonnes	Grade g/t Au	Gold '000oz
Jinfeng Open Pit	Proved	4.9	4.4	697
	Probable	0.7	3.3	71
Sub-Total Jinfeng Open Pit		5.6	4.3	768
Jinfeng Underground	Proved	7.9	5.7	1,435
	Probable	5.4	5.7	990
Sub-Total Jinfeng Underground		13.3	5.7	2,425
Jinfeng Stockpile	Proved	0.5	2.8	39
Total Jinfeng	Proved	13.2	5.1	2,171
	Probable	6.1	5.4	1,061
Total Jinfeng		19.3	5.2	3,232

The Ore Reserve appears to have been estimated in a reasonable manner but reconciliations of production against Ore Reserves have not been perfect. However, the mine is in the early days of production and some improvements to the Ore Reserve model have been indicated by recent reconciliations and, therefore, the Ore Reserve estimate appears reliable.

A production schedule for the Jinfeng mine, based on Sino Gold's current life of mine production schedule was amended by M1 to "mine" all available Ore Reserves and some Inferred Resources.

The schedule calls for open-cut production to peak at about 860,000 tpa in 2010 and then to drop to less than 440,000 tpa from 2012 to 2022. Annual average head grade from the open-cut is planned in the range 3.3g/t Au to 5.0g/t Au.

M1 believes that the open-cut production schedule is realistic and reasonable.

Underground production is planned to exceed 1,000,000 tpa by 2012 and to peak at 1,145,000 tpa in 2018. Annual average head grade from underground ranges from 4.8g/t Au to 6.2g/t Au.

In order to achieve underground production of over 1,000,000 tpa there will need to be an adequate number, estimated by M1 to be in the range of 20 to 30, of productive cut and fill ore headings available at all times and ground support must be installed efficiently and to high standards to ensure personnel and equipment safety and to maintain the availability of ore headings. These are the largest challenges facing the underground mining operation. The Jinfeng mine staff are well aware of these issues and are involved in improvement programs so that both issues can be addressed.

SINO GOLD MINING LIMITED
TECHNICAL SPECIALIST'S REPORT



The Jinfeng processing plant consists of the following unit operations: crushing, grinding, flotation, a regrind of the float tails, further flotation, bio-oxidation ("BIOX") of the flotation concentrate, carbon in leach ("CIL") leaching, carbon stripping and gold bullion smelting.

The life of mine plan for 2010 includes figures of 1.45M tpa throughput at a grade of 4.96 g/t Au, a gold recovery of 85.5% and 92% plant utilisation. While it is likely the 2010 forecast (when conducted) will result in a higher throughput at possibly lower grade, a reliable recovery of 85.5% appears achievable within three year without process modifications and improved understanding.

Average open-cut operating costs were estimated to be US\$13.0 per tonne of ore, underground operating costs to be US\$26.7 per tonne of ore, and processing to be US\$21.8 per tonne of ore. M1 considers these to be reasonable cost estimates.

Total capital costs over the life of the mine were estimated to be US\$180M and M1 considers these to be reasonable cost estimates.

At Jinfeng, gold bearing structures continue below the -220m RL level. However, the eight diamond drill intersections made to date below -220m RL have intersected only low grade or narrow gold mineralisation therefore it has not been possible to postulate the existence of more resources below the current known Mineral Resource.

White Mountain

The White Mountain mine is located 230 km south-southeast of Changchun, the capital city of Jilin Province in northeast China.

The report of Sino Gold's most recent Mineral Resource estimate for White Mountain was as at 31 December 2008.

Although M1 have not systematically or comprehensively reviewed the block model or the underlying data on which the Mineral Resource estimate was based. However, Sino Gold's report of Mineral Resources and Ore Reserves conforms with the JORC code. Furthermore, the mine is in the early days of production and that some improvements to the Mineral Resource model have been indicated by reconciliations. In general, the Mineral Resource estimate appears reliable.

White Mountain Mineral Resources – 31 December 2008

	Category	Million tonnes	Grade g/t Au	Gold '000oz
White Mountain	Measured	6.7	3.1	673
	Indicated	4.0	3.1	405
	Sub-Total M+I	10.7	3.1	1,079
	Inferred	1.6	2.1	109
	Total White Mountain	12.4	3.0	1,188

Note: Measured and Indicated Mineral Resources are inclusive of Ore Reserves.

White Mountain Ore Reserves have been estimated within stope designs at a cut-off grade of 2.0g/t Au, mining recovery of 90% for cut and fill and 82% for sub-level open stopes, and dilution rates of 12% at 0.5g/t Au for cut and

Annexure A

Independent Expert's Report

SINO GOLD MINING LIMITED
TECHNICAL SPECIALIST'S REPORT



fill stopes and 23% at 1.4g/t Au for sub-level open stopes. M1 believe that these factors are all within the industry standard ranges.

M1 has not systematically or comprehensively reviewed the block model or the underlying data on which the Mineral Resource estimate is based or the stope designs on which the Ore Reserve was based. However, Sino Gold's report of Mineral Resources and Ore Reserves conforms with the JORC code and, although the mine is in the early days of production, the Ore Reserve estimates appear to be reliable.

White Mountain Ore Reserves – 31 December 2008

	Category	Million Tonnes	Grade g/t Au	Gold '000oz
White Mountain	Proved	4.3	3.6	406
	Probable	2.3	4.0	290
Sub-Total White Mountain Underground		6.6	3.7	796
White Mountain Stockpile	Proved	0.05	3.0	4
Total White Mountain	Proved	4.3	3.6	500
	Probable	2.3	4.0	290
Total White Mountain		6.6	3.7	790

Pyrite ore co-exists with the oxide ore, and in most cases they will be better extracted together. An overall metallurgical recovery of 84.9% was therefore used to determine a cut-off grade for each mining method. The overall metallurgical recovery was based on:

- Metallurgical recovery of 88% estimated for the oxide ore;
- Metallurgical recovery of 60% estimated for the pyrite ore; and

Initially, the stoping methods planned for White Mountain were sub-level open stoping and cut and fill. Recently, Sino Gold decided that much of the ore which was to be stoped by cut and fill could be stoped by benching. This is a more productive mining method with commensurate savings in operating costs. Ground conditions in the mineralisation and the hangingwall host rocks at White Mountain could generally be described as good. The limestone contains many water bearing cavities which have increased the pumping requirements for the mine. To avoid underground development in the limestone, the decline and stope accesses are all located in quartzites in the hangingwall of the gold mineralisation.

Two production scenarios have been prepared:

- Case 1: based on the Sino Gold LOM plan which calls for the Ore Reserves of 6,992,000 tonnes to be processed and 652,000 ounces of gold to be recovered over 12 years; and
- Case 2: which also includes the conversion of 50% conversion of the Inferred Resources at a 20% grade uplift as well as "blue sky" of 422 000 t at LOM average grade. This case adds two years to the mine life. The 20% grade uplift factor was based on the conversion of Measured and Indicated Mineral Resource to a

SINO GOLD MINING LIMITED
TECHNICAL SPECIALIST'S REPORT



Proved and Probable Reserve. Case 2 calls for 8,205,000 tonnes to be processed and 743,000 ounces of gold to be recovered over 13 years.

The White Mountain processing plant consists of crushing, grinding to 45 microns, a CIL plant and filtration of tailings with storage of solids in the tailings storage facility. No flow sheet was made available however the process is common throughout the world and demonstrates no particular technical difficulties other than the standard of optimising throughput, recoveries, and costs.

The Sino Gold Board Feasibility Study stated that the processing plant was designed for a throughput of 658,000 tpa. The full year forecast (2009) predicted 556,000 tonnes treated at a grade of 4.25 g/t and a gold recovery of 83%. Recovery for June 2009 was 87% and the recovery for July was 67%. The lower recovery in July 2009 reflected the very high proportion of semi-refractory ore processed during that month, which is not expected to continue. Tailings are dry stacked in a plastic lined tailings facility.

At the time of the visit to site the mine was effectively closed due to a dispute between local downstream farmers and the mine. M1 understands that these people have concerns with volume and turbidity of the water being pumped from the mine. Whilst there has been agreement from the environmental agencies that the issues are resolved, the dispute has not. M1 made an adjustment to the 2009 production schedule to account for the loss of production. However, M1 has not assessed any potential ongoing impact on the operations as this falls outside of the scope of this report. Sino Gold also indicated no other environmental problems exist and none were apparent.

Sino Gold is evaluating the potential to decrease operating costs by utilizing employees to mine the Sub Level Open Stopes rather than the contractor.

Unit mine operating costs were provided by Sino Gold. M1 reviewed the unit costs and increased the dewatering costs from US\$0.26 to US\$1.00, based on an inspection of the dewatering requirements during the site visit. Unit processing costs of US\$13.80 were provided by Sino Gold. Sino Gold's operating costs appear reasonable when comparing to costs at Jinfeng Mine.

Sino Gold's sustaining capital costs for the LOM were US\$42 million (US\$6.17 per tonne of ore) but these costs did not allow for mine rehabilitation or closure costs. M1 added US\$15 million in capital costs to allow for this omission. Apart from this change, in comparison with M1's experience with similar sized gold projects, the capital costs appear to be reasonable.

Eastern Dragon

The Eastern Dragon Project is located in Heilongjiang Province in northern China.

Sino Gold's most recent report of Mineral Resources and Ore Reserves for Eastern Dragon was issued on 29 January 2009.

M1 has not systematically or comprehensively reviewed the block model or the underlying data on which the Mineral Resource estimate was based. The methods used for the Mineral Resource estimate were appropriate for the style of mineralisation at Eastern Dragon. Sino Gold's report of Mineral Resources and Ore Reserves conforms with the JORC code, the Mineral Resource and Ore Reserve have been estimated in a reasonable manner and the estimates appear to be reliable.

Annexure A

Independent Expert's Report

SINO GOLD MINING LIMITED
TECHNICAL SPECIALIST'S REPORT



Eastern Dragon Mineral Resources – 31 December 2008

	Category	Million Tonnes	Grade g/t Au	Gold '000oz	Grade g/t Ag	Silver Moz
Eastern Dragon	Measured	0.6	11.2	220	83	1.6
	Indicated	1.6	7.2	381	73	3.7
	Sub-Total M+I	2.2	8.3	581	76	5.3
	Inferred	1.2	5.0	196	50	1.9
	Total Eastern Dragon	3.4	7.1	777	66	7.2

Note: Measured and Indicated Mineral Resources are inclusive of Ore Reserves.

Eastern Dragon Ore Reserves – 31 December 2008

	Category	Million Tonnes	Grade g/t Au	Gold '000oz	Grade g/t Ag	Silver Moz
Eastern Dragon	Proved	0.7	9.8	266	72	1.5
	Probable	1.3	7.6	321	69	2.9
	Total Eastern Dragon	2.0	8.4	527	70	4.4

Sino Gold has proposed mining the Eastern Dragon mineralisation by open-cut and from underground. The proposed underground mining method is benching with access from a decline. The proposed mining methods are similar to the methods currently employed at Jinfeng and White Mountain Mines and the proposed methods are not novel or unusual.

Eastern Dragon Case 1

The Case 1 production schedule calls for all the Ore Reserve and for some Inferred Mineral Resource: 701,603 tonnes of Inferred Mineral Resource at 6.5g/t Au and 30.4g/t Ag are included. This is more than half the Inferred Mineral Resource but given the location of the Inferred Mineral Resource and the continued exploration success at Eastern Dragon in 2009, the inclusion of this material in the life of mine plan is reasonable.

Open-cut production is planned to reach just over 200,000 tpa in 2011 dropping to just under 220,000 tpa in 2012, the last year of mining planned for the open-cut. Average head grade from the open-cut is about 11.5g/t Au.

M1 believes that the open-cut production schedule is realistic and reasonable.

Underground production is planned to peak at exceed 360,000 tpa by 2013 and to and to maintain this level until 2017, dropping to just under 280,000 tpa in 2018, the last year of mining planned from underground. Average annual head grade from underground ranges from 4.8g/t Au to 8.9g/t Au.

M1 believes that the underground ore-production schedule is realistic and reasonable.

The proposed Eastern Dragon processing circuit is crushing, grinding, CIL, cyanide destruction and filtration of tailings. Sino Gold predicted a processing plant throughput of 360,000 tpa at an average grade of 7.9 g/t and a recovery of 95%. Silver is also present at an average grade of 59 g/t.

SINO GOLD MINING LIMITED
TECHNICAL SPECIALIST'S REPORT



The metallurgical testing, conducted in China, appears robust. Testing of variability samples did not discover any obvious problems.

Average open-cut operating costs were estimated to be US\$21.7 per tonne of ore; underground operating costs to be US\$20.7 per tonne of ore, and processing to be US\$15.7 per tonne of ore. M1 considers these to be reasonable cost estimates.

Total capital costs over the life of the mine were estimated to be US\$82M and M1 considers these to be reasonable cost estimates.

Eastern Dragon Case 2

At Eastern Dragon, gold mineralisation continues along strike to the north beyond the Mining Lease boundary.

The Case 2 production schedule calls for all the Ore Reserve and for some Inferred Mineral Resource, as in Case 1 plus M1's estimate of the potential ore available from the mineralisation along strike to the north.

The addition of this potential to the production schedule prolongs the life of the mine to 2019.

M1 believes that the extended production schedule is realistic and reasonable.

Average open-cut operating costs were estimated to be US\$21.7 per tonne of ore; underground operating costs to be US\$20.7 per tonne of ore, and processing to be US\$15.7 per tonne of ore. M1 considers these to be reasonable cost estimates.

Total capital costs over the life of the mine were estimated to be US\$100M and M1 considers these to be reasonable cost estimates.

Beyinhar

The Beyinhar gold deposit is located in the Inner Mongolia Autonomous Region in northern China.

The Beyinhar Mineral Resources and Ore Reserves as at December 2008 were reported in the Sino Gold Annual Report for 2008 in a form complying with the requirements of the JORC code.

An open-cut has been proposed to mine the Beyinhar deposit.

M1 has not systematically or comprehensively reviewed the block model or the underlying data on which the Mineral Resource estimate was based. The methods used for the Mineral Resource and Ore Reserve estimates were appropriate for the style of mineralisation at Beyinhar. Sino Gold's report of Mineral Resources and Ore Reserves conforms with the JORC code and the Mineral Resource and Ore Reserve have been estimated in a reasonable manner and the estimates appear to be reliable.

Two tenements adjoin the Beyinhar gold deposit which is currently held under an Exploration Licence while the application for a Mining lease is being processed by the relevant authorities. For the purposes of this valuation, the Beyinhar gold deposit has been valued using the methodology applied to Sino Gold's other exploration assets as well as by analysing the results of the feasibility review completed in 2008 and updated in 2009.

As an exploration asset, the Beyinhar project would be valued at approximately US\$1.4 million based on the valuation used to value Sino Gold's other exploration assets.

M1 has also considered the analysis undertaken as part of the Beyinhar feasibility review, although the results of the feasibility study have not been publicly disclosed as they are considered commercially sensitive. The Sino Gold

Annexure A

Independent Expert's Report

SINO GOLD MINING LIMITED
TECHNICAL SPECIALIST'S REPORT



feasibility review for Beyinhar included a risk assessment for the proposed Beyinhar project. M1 has reviewed the risk assessment and in M1's view there are two key technical risks associated with developing a mine at Beyinhar:

- Mining of low grade ore, with a target production grade of about 0.6g/t Au is difficult; and
- Creating and maintaining efficient leaching through large leach pads is not easy, consequently, it may not be practically possible to achieve the target gold recovery from the leach pads.

Given the nature of the project, it is very sensitive to relatively small changes in grade and processing recovery. For example, a decrease in mine grade or leaching recovery leading to a combined decrease in the recovered gold per tonne of ore processed of the order of 10% would decrease the NPV of the project to US\$13M.

Overall, M1 has valued Beyinhar in the range US\$1-13 million.

Exploration

Sino Gold has exploration projects in several parts of China, extending from the south around the Jinfeng Mine, to the west, the north and the north east including areas around the White Mountain Mine and Eastern Dragon Project.

These exploration tenements have been valued in the range US\$2.62-15.26 million.

A handwritten signature in black ink, appearing to read "Gary Davison", written over a horizontal line.

Gary Davison
Managing Director

A handwritten signature in black ink, appearing to read "Mick McKeown", written over a horizontal line.

Mick McKeown
Senior Mining Consultant

SINO GOLD MINING LIMITED
TECHNICAL SPECIALIST'S REPORT



1 SCOPE OF ENGAGEMENT

On 25 August 2009, Sino Gold announced that it has signed a Scheme Implementation Deed with Eldorado under which Eldorado proposes to acquire all of the issued shares in Sino Gold which it does not already own. Sino Gold engaged Grant Samuel to prepare an Independent Expert's Report on the Scheme. Grant Samuel has appointed M1 to provide technical advice to Grant Samuel in relation to the Assignment, being the Subsidiary Assignment.

As part of the Subsidiary Agreement M1 has provided advice to Grant Samuel in relation to the technical judgements required to complete the Assignment. In particular, M1 prepared, or if already available, reviewed estimates of resources and reserves, capital costs, production estimates and operating costs for Sino Gold's mining assets and advised Grant Samuel as to whether these assumptions were reasonable for valuation purposes. M1 developed a number of development scenarios for each asset: one for Jinfeng and two for White Mountain and Eastern Dragon. These scenarios reflect the specific issues relating to each asset and assume extensions to current reserves and/or the potential for variations in future production rates. In addition, M1 determined estimates of value for any exploration interests.

The work performed by M1 complies with the requirements of the VALMIN Code.

This Technical Specialist's report, sets out:

1. the scope of M1's engagement;
2. the nature of the work performed;
3. provides a description of the assets and their planned development; and
4. summarises M1's conclusions as to the technical assumptions regarding reserves, capital costs, production profiles, and operating costs for each of the valuation scenarios.

This report also outlines M1's valuations for Sino Gold's exploration interests.

M1's Technical Specialist report is to be appended to Grant Samuel's report.

Annexure A

Independent Expert's Report

SINO GOLD MINING LIMITED
TECHNICAL SPECIALIST'S REPORT



2 STATEMENT OF INDEPENDENCE AND COMPETENCY

M1 is a privately owned independent mining consultancy specialising in geology, mining engineering and geotechnical disciplines. M1 is competent in these three disciplines including project and feasibility work, due diligence and technical evaluations for mergers and acquisitions. Information on the capability of M1 with respect to these disciplines is attached (Appendix A).

M1 has been involved in similar technical evaluation leading to a market valuation for Leviathan Resources Limited during their acquisition by Perseverance Corporation Limited and for Northgate Minerals Corporation during their acquisition of Perseverance Corporation Limited. We are currently involved with two other companies completing technical reports and evaluation for their pending merger. For confidentiality reasons, these companies must remain nameless.

M1 personnel have previously worked with Sino Gold on their Jinfeng Project and completed a technical review of the open pit and underground planning and design. The review resulted in significant savings to the overall project over the Life of Mine (LOM) plan. M1 has limited experience with the other Sino Gold projects at White Mountain and Eastern Dragon.

None of M1, any of the M1 staff involved in the preparation of this report, or their associates has a significant pecuniary interest in Sino Gold, or any of Sino Gold's assets dealt with in this report, or in Eldorado, or in Grant Samuel, or in the outcome of this Technical Assessment.

M1 personnel who were involved in this review are presented in Table 1.

Table 1 M1 Personnel involved in review

Consultant	Area of Expertise
Gary Davison, MAusIMM	Over 30 years in Mine Engineering, Management, Geotechnical Engineering and Project Evaluation
Mick McKeown,	Over 35 years in Exploration, Geological Interpretation, Resource Estimation and Mine Planning
Mark Van Leuven, FAusIMM(CP)	24 years in Mine Engineering, Mine Planning, Management and Project Evaluation in Australia
David Foster	Over 30 year in Mineral Processing Industry
Tim Summons MAIG, MGSA	Over 35 years in Exploration, Geological Interpretation and Resource Estimation.
Mike Botting	25 years in Mine Engineering, Mine Planning, Management and Project Evaluation in Australia

SINO GOLD MINING LIMITED
TECHNICAL SPECIALIST'S REPORT



3 NOTES REGARDING THIS REPORT

3.1 Disclaimer

Statements made on or contained in this document, particularly those regarding capital expenditure, cash flows, costs, savings, debt, demand, disposals, efficiency, growth, improvements, investments, margins, performances, prices, production, productivity, returns, sales, strategy, synergies, trends, value, volumes, merger and acquisition activity, are or may be forward looking statements. Actual results may differ from those expressed in such statements, depending on a variety of factors including future levels of industry product supply; demand and pricing; political stability and economic growth; development and use of new technology; actions of competitors; and natural disasters, wars and acts of terrorism.

This report was prepared using data and information which were available to the authors at the time of writing. This data and information was provided during a visit to the Jinfeng and White Mountain Mines by staff of the mines and in an electronic data room created by Sino Gold. M1 staff did not visit the Eastern Dragon or Beyinhar Projects because no mine development has commenced at those projects, nor did time permit of visits to any of the other exploration tenements which Sino Gold holds in China. Sufficient data and information were provided by Sino Gold to be able to report sensibly on the properties not visited.

This report is not a report of Mineral Resources and Ore Reserves in accordance with the JORC Code (2004). This report is a Technical Specialist's Report in accordance with the VALMIN Code (2005).

This report should be reproduced in whole and not in part.

3.2 Embedded References in this Report

Embedded references in this report preceded by a four digit code, for example 1.2.3.4, are references to information supplied by Sino Gold in a digital data room. A unique four digit code was attached by Sino Gold to each piece of information in the data room.

Annexure A

Independent Expert's Report

SINO GOLD MINING LIMITED
TECHNICAL SPECIALIST'S REPORT



4 DESCRIPTION OF ASSETS

4.1 Introduction

Sino Gold is a Sydney based company with gold mining and gold exploration interests in China. Sino Gold operates two gold mines in China. Its principal operation is the Jinfeng Gold Mine in Guizhou Province with planned annual production of over 200,000 ounces of gold by 2011. Sino Gold also operates the White Mountain Gold Mine in Jilin Province with planned annual production of 65,000 ounces of gold.

In addition, in April 2009, Sino Gold approved the development of the Eastern Dragon deposit in Heilongjiang Province with planned annual production of 90,000 ounces of gold.

Sino Gold also holds many exploration tenements, the most advanced of which contains the Beyinhar Project for which an in-house feasibility study has been completed.

4.2 Jinfeng

4.2.1 Location

The Jinfeng Gold mine is located in an agricultural area of Guizhou Province in southern China about 240km south-west of the provincial capital of Guiyang (Figure 1). The landscape around the mine is dissected karst with steep hills and narrow valleys; elevations range from 400m to 800m above sea level. The climate is sub-tropical with an annual rainfall of 1200mm mostly falling during the wet season from May to August. The climate is mild and there are not expected to be any major disruptions to mining or processing due to adverse weather conditions.

Figure 1 Jinfeng Mine - location



(Source Sino Gold)

4.2.2 History

The Jinfeng deposits, known in the past as the Lannigou deposits, were worked for mercury for medicinal purposes during the 1800s. In the early 1980s, 117 Brigade of the Guizhou Bureau of Geology and Mineral Resources

SINO GOLD MINING LIMITED
TECHNICAL SPECIALIST'S REPORT



discovered the outcrop of the gold mineralisation and drilled over 100 diamond drill holes for about 30km of drill core and developed 8km of underground workings to test the deposit. The deposit was not immediately exploited, due to the refractory nature of the sulphide bearing ore (Ilchik et al, 2005).

In late 2001, Sino Gold acquired exploration rights in the area and drilled 103 diamond drill holes for about 42km of drill core and, by June 2004, had defined a global in-situ resource of 21M tonnes at 5.1g/t Au containing 3.5M ounces of gold (Ilchik et al, 2005).

In April 2009, Sino Gold reported Mineral Resources and Ore Reserves in accordance with the JORC Code (see 4.2.4 Mineral Resources and 4.2.5 Ore Reserves).

To the end of 2008, gold production from the Jinfeng Mine was 207,909 ounces (Sino Gold Annual Report 2008).

4.2.3 Infrastructure and labour

The Jinfeng Mine is a mine that is currently operating and adequate infrastructure and labour are in place. The last hour's travel on the access road to the mine is on unsealed road but this part of the road is progressively being sealed.

4.2.4 Local Geology

Gold mineralisation at Jinfeng occurs within folded Triassic sedimentary rocks which overlie Permian and Carboniferous limestones. The Carboniferous limestones form a dome and the gold mineralisation occurs principally in shears and as minor replacement style mineralisation in the Triassic rocks immediately above the dome (see Figure 2).

Gold occurs as inclusions in pyrite and arsenopyrite. There is a later generation of realgar, orpiment, cinnabar, native arsenic and stibnite associated with calcite and minor quartz.

Carlin style gold deposits are characterised by high Au to Ag ratios, enrichment in arsenic, antimony and mercury, and gold which is invisible because it occurs as very small particles in pyrite and arsenopyrite. The Jinfeng mineralisation is currently considered to be of Carlin style.

There are no reported gross variations in the tenor of the gold mineralisation and the whole of the mineralisation discovered to date is uniform in style.

At outcrop, gold mineralisation is known over a strike length of about 1300m and is spatially associated with two particular faults known locally as F2 and F3 (see Figure 3). The mineralisation is generally steeply dipping with local flat dips and is known to a vertical depth of over 1000m (see Figure 2). The horizontal thickness of the mineralisation ranges up to 30m; the thicker parts being where the dips are flatter (see Figure 2).

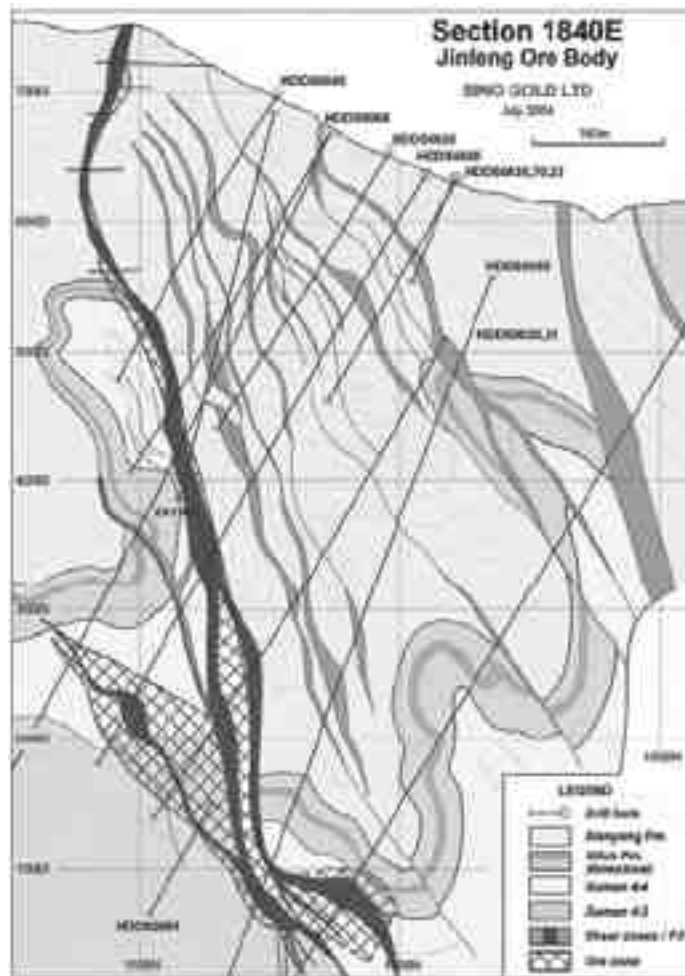
Annexure A

Independent Expert's Report

SINO GOLD MINING LIMITED
TECHNICAL SPECIALIST'S REPORT



Figure 2 Jinfeng – geological cross section at 1840mE



(Ilchik et al, 2005)

SINO GOLD MINING LIMITED
TECHNICAL SPECIALIST'S REPORT



Figure 3 Jinfeng – geological map showing major structures



(Source SINO GOLD)

4.2.5 Mineral Resources

The Jinfeng Mineral Resources and Ore Reserves as at December 2008 were reported in the Sino Gold Annual Report for 2008 in a form complying with the requirements of the JORC code. In addition, Sino Gold prepared a separate report explaining succinctly how the estimates were made and the report addressed the particular requirements of the JORC code.

The Mineral Resources are summarised in Table 2.

M1 has not systematically or comprehensively reviewed the block model or the underlying data on which the Mineral Resource estimate was based. The methods used for the Mineral Resource estimate were appropriate for the style of mineralisation at Jinfeng. The Competent Person for the Jinfeng Mineral Resource estimate was Mr. Phillip Uttley (FAusIMM), a full time employee of Sino Gold in the capacity of Chief Geologist. He is a geologist with more than 27 years experience in exploration and evaluation of gold deposits, including the exploration for structurally controlled gold deposits and replacement style gold deposits (Sino Gold Annual Report 2008).

The reliability of the Ore Reserve estimate which is derived from the Mineral Resource estimate is discussed below in 4.2.8 Reconciliation of Resources and Reserves. Sino Gold's report of Mineral Resources and Ore Reserves conforms with the JORC code and, given that the mine is in the early days of production and that some improvements to the Mineral Resource model have been indicated by reconciliations, the Mineral Resource estimate appears reasonably reliable.

Annexure A

Independent Expert's Report

SINO GOLD MINING LIMITED
TECHNICAL SPECIALIST'S REPORT



Table 2 Jinfeng Mineral Resources – 31 December 2008

	Category	Million Tonnes	Grade g/t Au	Gold '000oz
Jinfeng	Measured	18.0	4.8	2,750
	Indicated	11.0	4.5	1,580
	Sub-Total M+I	29.0	4.7	4,330
	Inferred	5.4	3.9	674
	Total Jinfeng	34.3	4.5	5,004

Note: Measured and Indicated Mineral Resources are inclusive of Ore Reserves.
(Source Sino Gold)

The April 2008 Mineral Resource was estimated using two different grade interpolation methods:

- Above 400m RL, the resource which is potentially mineable by open-cut methods, was estimated using a multiple indicator kriging ("MIK") method at a cut-off grade of 1.0g/t Au; and
- Below 400m RL, the resource which is potentially mineable by underground mining methods, was estimated using a conditional simulation ("CS") method at a cut-off grade of 2.0g/t Au.

The 400m RL division is at about the expected base of the current open-cut design. This may change slightly with further pit optimisation studies. The top of the orebody before mining was approximately 750m RL, and the deepest drilling is below -300m RL.

4.2.6 Mining Methods

The Jinfeng open-cut is mined using traditional drill and blast followed by loading using excavators and haulage by diesel powered trucks. There is nothing novel or unusual in the open-cut mining method. The relationship between a recent open-cut design, the proposed underground workings and the Ore Reserve block model is shown in Figure 4. Slope stability has warranted re-examination of the open-cut design. Preliminary results from a new pit optimization with some flatter slopes but at higher gold price, US\$750 per ounce v US\$650 per ounce, indicate minor increases in stripping ratios. The final results were not available at the time of this report so the LOM mining schedule incorporated the results from the current pit design.

Underground, ore will be stoped using a cut-and fill method with stope access from footwall drives which in turn are accessed from a decline. Cemented backfill will be used and cement addition of approximately 15% by mass has been budgeted. This is a high cement ratio for overhand cut and fill mining and therefore results in a high overall cost for cemented fill. There could be possibilities to reduce this cost by reducing the cement ratio.

The equipment used for mining includes jumbo drills and diesel powered loaders and trucks. In broad term and with a brief examination of the available data, current and budgeted availabilities of this equipment are in line with Australian standards.

There is nothing unusual or novel about the underground mining methods.

Ground conditions in the orebody were difficult to examine during the site visit by M1 staff because the mine openings were covered with fibrecrete, however, what was observed, together with Sino Gold's description of ground conditions, indicates poor ground conditions within stopes and access cross-cuts. The conditions are such that fibrecrete and stiff rockbolts are required to ensure safe working conditions.

SINO GOLD MINING LIMITED
TECHNICAL SPECIALIST'S REPORT



Manning levels are high by Australian standards and, consequently, are adequate to undertake the tasks required to run a large underground mine. However training and education of mine staff will be required to assure technical and operational competence. The mine has senior staff with experience in Australian and Canadian mines and also employs small numbers of expatriate labour who can provide assistance with training and education. All technical staff appeared cognisant of the operational issues and motivated to find and apply appropriate solutions.

There are two aspects of the underground mine which will be important if the planned underground production of over 1M tpa is to be achieved. First, there will need to be an adequate number of productive cut and fill ore headings available at all times. Between 20 and 30 ore headings will need to be available and mine development targets and target cycle times for individual production headings will need to be met to achieve the required annual production. Second, especially in ore headings and access cross-cuts, ground support must be installed efficiently and to high standards to ensure personnel and equipment safety and to maintain the availability of ore headings. These are the largest challenges facing the underground mining operation. The Jinfeng mine staff are well aware of these issues and are involved in improvement programs so that they can be addressed. For example, one such program is a review of stoping method and the possible change to underhand cut and fill. As mentioned above, the budgeted cement ratio of 15% is high for overhand cut and fill but would accommodate the cement costs involved in underhand cut and fill.

Grade control drilling precedes mining in the open-cut; reverse circulation grade control holes are drilled on a 10m x 4m grid in areas of known mineralisation and the data from results of this drilling are used to create a Grade Control model. Mining of ore in the open-cut is controlled by the mine geologists using the usual methods of ore mark out and spotting to control digging. Grade control drilling precedes stoping underground; diamond drill holes are drilled on a basic 20m (vertical) by 20m (horizontal) grid, closed down to 10m (horizontal) grid at sill levels. The results of this drilling are used to create a Grade Control model and the results from this model are used to determine the location of ore. In addition, the usual underground face sampling and recording practices are in place.

The success of ore mining control is discussed further below in 4.2.8 Reconciliation of Resources and Reserves, however, the total production from the underground mine for 2008 was 14,205 tonnes which is much less than the open-cut production and was too low to allow for meaningful reconciliation of underground production against the Ore Reserves.

The Mineral Resource appears to have been estimated in a reasonable manner.

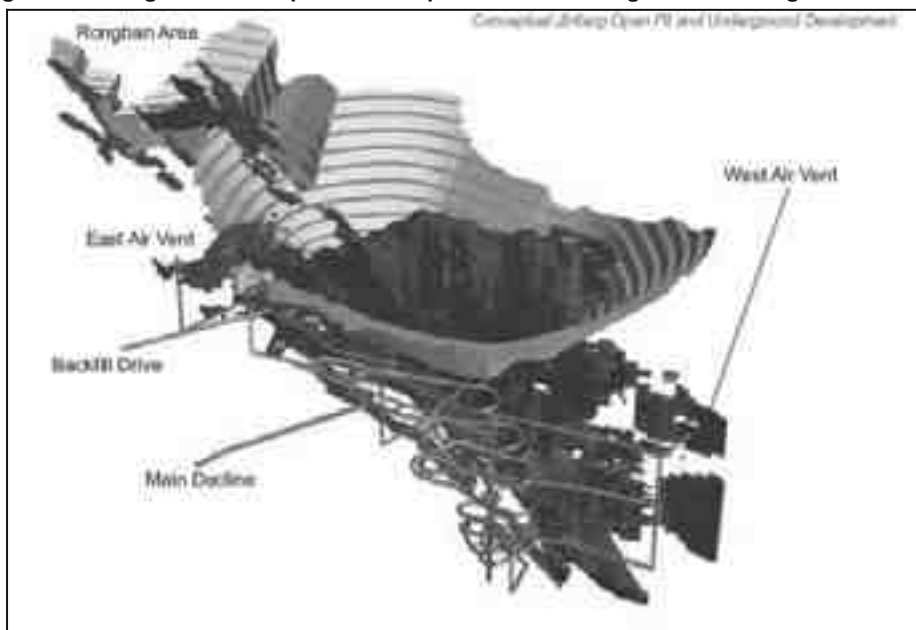
Annexure A

Independent Expert's Report

SINO GOLD MINING LIMITED
TECHNICAL SPECIALIST'S REPORT



Figure 4 Jinfeng Mine – oblique view of open-cut and underground workings



(Source Sino Gold)

4.2.7 Ore Reserves

The Jinfeng Mineral Resources and Ore Reserves as at December 2008 were reported in Sino Gold's Annual Report for 2008 in a form complying with the requirements of the JORC code. In addition, Sino Gold prepared a separate report explaining succinctly how the estimates were made; this report addressed the particular requirements of the JORC code.

The Ore Reserves are summarised in Table 3, the open-cut Ore Reserves in Table 4 and the underground Ore Reserves in Table 5.

Open-cut Ore Reserves were estimated within Mineral Resources using a working open-cut design based on a pit optimisation run at US\$750 per ounce and at a cut-off grade of 1.5g/t Au. The gold price used was reasonable at the time of estimation and the cut-off grade, allowing for a processing recovery of about 80% equates to about US\$29 per tonne which is higher than the year to date unit processing cost of just under US\$22 reported in the Jinfeng Project June 2009 Monthly Report. Given the difference between these two values and the recent increase in gold price, it may pay to re-assess this cut-off grade.

The mining recoveries and dilution used in the open-cut resource model have not been explicitly stated. In Sino Gold's Resource and Reserve JORC checklist it explains that the MIK model "is a recoverable resource model, in which mining ore loss and dilution have already been included". The open-cut mine is in its early days and there have been problems with reconciliation between the Ore Reserve Model and reported ore production (see 4.2.8 Reconciliation of Resources and Reserves).

SINO GOLD MINING LIMITED
TECHNICAL SPECIALIST'S REPORT



The underground Ore Reserves were estimated within three dimensional stoping zone designs at a cut-off grade of 2.9g/t Au, mining recovery of 15.7% and 15.6% dilution at 1.5g/t Au. These are all within the expected ranges for these factors.

M1 has not systematically nor comprehensively reviewed the block model nor the underlying data on which the Mineral Resource estimate is based nor the open-cut designs and three dimensional stoping zone designs on which the Ore Reserve was based. The Competent Person for the Jinfeng open-cut Ore Reserve estimate was Mr Weifeng Li (MAusIMM) who is a Principal Mining Consultant of West Swan Pty Ltd and is an open-cut mining engineer with over 20 years experience in the mining industry. The Competent Person for the Jinfeng underground Ore Reserve estimate was Dr John Chen (MAusIMM), a full time employee of Sino Gold in the capacity of Manager – Mining, Technical Services. He is a mining engineer with more than 20 years experience in the mining industry in Australia and China (Sino Gold Annual Report 2008).

The Ore Reserve appears to have been estimated in a reasonable manner but also refer to the reliability of the Ore Reserve estimate which is discussed below in 4.2.8 Reconciliation of Resources and Reserves. Although the mine is in the early days of production, some improvements to the Ore Reserve model have been indicated by reconciliations and the Ore Reserve estimate appears reasonably reliable.

Table 3 Jinfeng Ore Reserves -31 December 2008

	Category	Million Tonnes	Grade g/t Au	Gold '000oz
Jinfeng Open Pit	Proved	4.9	4.4	697
	Probable	0.7	3.8	71
Sub-Total Jinfeng Open Pit		5.6	4.3	768
Jinfeng Underground	Proved	7.9	5.7	1,435
	Probable	5.4	5.7	990
Sub-Total Jinfeng Underground		13.3	5.7	2,425
Jinfeng Stockpile	Proved	0.5	2.6	39
Total Jinfeng	Proved	13.2	5.1	2,171
	Probable	6.1	5.4	1,061
Total Jinfeng		19.3	5.2	3,232

(Source Sino Gold)

Annexure A

Independent Expert's Report

SINO GOLD MINING LIMITED
TECHNICAL SPECIALIST'S REPORT



Table 4 Jinfeng Mine open-cut and ore stockpile Ore Reserves – 31 December 2008

	Category	Million tonnes	Grade (g/t Au)	Ounces ('000)
HCG Pit	Proved Ore Reserve	4.17	4.6	622
	Probable Ore Reserve	0.30	3.5	34
	Total	4.47	4.6	656
Rongban Pit	Proved Ore Reserve	0.72	3.2	75
	Probable Ore Reserve	0.37	2.1	37
	Total	1.09	3.2	112
Ore Stockpile	Proved Ore Reserve	0.47	2.6	39
Grand Total	Proved Ore Reserve	5.36	4.3	736
	Probable Ore Reserve	0.67	3.3	71
	Grand Total	6.03	4.2	807

(Source Sino Gold)

Table 5 Jinfeng underground Ore Reserves – 31 December 2008

Mining area	Category	Million tonnes	Grade (g/t Au)	Ounces ('000)
HCG	Proved Ore Reserve	7.40	5.8	1,374
	Probable Ore Reserve	5.16	5.7	953
	Total - HCG	12.56	5.8	2,327
Rongban	Proved Ore Reserve	0.48	4.0	61
	Probable Ore Reserve	0.27	4.3	37
	Total - Rongban	0.76	4.1	98
HCG & Rongban	Proved Ore Reserve	7.88	5.7	1,435
	Probable Ore Reserve	5.43	5.7	990
	Grand Total	13.31	5.7	2,425

(Source Sino Gold)

4.2.8 Reconciliation of Resources and Reserves

The reliability of Mineral Resource and Ore Reserve estimates can be gauged from the reconciliation of ore production against Ore Reserves. Staff at the Jinfeng Mine prepared a reconciliation of open-cut ore production in 2008 against Ore Reserves. The total production from the underground mine for 2008 was 14,205 tonnes which is

SINO GOLD MINING LIMITED
TECHNICAL SPECIALIST'S REPORT



much less than the open-cut production and is too low to allow for meaningful reconciliation of underground production against the Ore Reserves.

The reported open-cut production was 83% of the tonnes predicted by the Ore Reserve model at 94% of the grade predicted by the Ore Reserve model for a shortfall of 53,000 ounces of contained gold.

Sino Gold staff also made a reconciliation of reported mine production against ore milled for 2008.

There was also a significant discrepancy between reported mine production and ore milled. The tonnes milled were 88% of the reported mine production at 113% of the grade for a shortfall of 900 ounces of contained gold. The reconciliation between mine production and ore milled was not perfect but, given the reasonable reconciliation of the contained gold and the fact that the mine is in its early stages, this reconciliation was reasonable.

However, the reconciliation between open-cut production and Ore Reserves requires explanation. The reason for the poor reconciliation could be due to:

- Lower than expected mining recovery, which would explain the lower tonnage mined, and higher than expected dilution, which would explain the lower grade mined, or
- An incorrect ore reserve model, or
- Both

Grade control drilling precedes mining in the open-cut; reverse circulation grade control holes are drilled on a 10m by 4m grid in areas of known mineralisation and the data from results of this drilling are used to create a Grade Control model. Sino Gold staff made a reconciliation between reported mine production and the grade control model for 2008. The reported open-cut production was 88% of the tonnes predicted by the Grade Control model at 98% of the grade predicted by the Grade Control model for a shortfall of 29,000 ounces of contained gold. The lower mining recovery indicated by the shortfall in tonnes accompanied by a reasonable grade reconciliation suggests that some ore has gone to the waste dump.

However, the lower implied mining recovery does not explain the total shortfall between open-cut production and Ore Reserves which was 53,000 ounces of contained gold. The extra shortfall is almost certainly due to an incorrect Ore Reserve model. During the site visit for this report, Jinfeng Mine staff advised that the open-cut Mineral Resource model over-estimated the grade of mineralisation in the area close to the surface due to the use of biased adit sampling data supplied by 117 Brigade (see 5.2.2 History). This area has now been mined out in the open-cut and reconciliations in the future should improve as a result and, in fact, there have been some improvement in reconciliations during 2009.

The reconciliations indicate that there have been some teething problems in achieving planned ore production targets from the open-cut but such problems are to be expected at the beginning of a new mine. Jinfeng Mine staff are pursuing these problems in a systematic and workmanlike manner.

4.2.9 Valuation Case

Sino Gold supplied a life of mine ("LOM") plan for the Jinfeng Mine. This LOM plan was modified by M1 to allow for a start to the plan at 1 July 2009 and to accommodate corrections which were notified to M1 by Sino Gold in mid-September 2009.

Annexure A

Independent Expert's Report

SINO GOLD MINING LIMITED
TECHNICAL SPECIALIST'S REPORT



Table 6 Jinfeng Mine – additions required to Sino Gold's LOM plan due to corrections

		Grade	Sino Gold Comment
	Tonnes	g/t Au	
Open-cut	385,436	4.26	Inadvertently omitted from LOM plan
	121,618	3.84	Mis-applied call factor
Underground	746,329	4.09	Inadvertently omitted ore from Rongban
	152,273	4.61	HCG reserves exclude above 540mRL
	100,000	5.70	Ore intersected in cross-cuts
	236,814	5.76	Difference between 2008 and 2009 Reserve database

(Source Sino Gold)

There are significant Inferred Mineral Resources at Jinfeng (refer to Table 2). M1 asked Jinfeng Mine staff to advise which Inferred Mineral Resources, if any, were likely to be mined because they were adjacent to or close to existing underground mine designs. Jinfeng staff advised that some Inferred Mineral Resources did meet this criterion and they are listed in Table 7.

Table 7 Jinfeng Mine – additions to be made to Sino Gold's LOM plan due to inclusion of some underground Inferred Mineral Resources

Tonnes in Mineral Resource model	Grade g/t Au	Conversion factor	Tonnes to extend LOM plan	Comment
151,390	5.74	0.5	75,695	Eastern strike extension of main structure from 400m RL to base of Ore Reserve model
61,256	8.07	0.75	45,942	Splay off main structure above 120m RL and below 400m RL
82,709	4.23	0.5	41,355	Second splay off main structure above 120m RL and below 400m RL
87,431	4.75	0.5	43,716	Eastern extension of main structure that could be mined from underground
Total	5.56		206,707	

(Source Sino Gold)

The Inferred Mineral Resources in Table 7 were converted to mineable tonnage and grade by applying Sino Gold's mining recovery and dilution factors used for the estimation of the underground Ore Reserves, that is, 84.3% mining recovery and 15.6% dilution at 1.5g/t Au. This meant an addition to the LOM mining schedule of 200,000 tonnes at 5.0g/t Au.

The ore schedule for the Jinfeng Valuation case, as finalised by M1, is shown in Table 8.



Table 8 Jinfeng Mine Ore Schedule – Valuation Case

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Underground										
Ore (tonnes)	348,754	654,905	855,103	1,005,924	1,000,000	1,000,000	1,000,000	1,126,351	1,144,515	1,145,737
Au grade (g/t Au)	5.11	5.25	5.90	6.02	6.00	6.17	5.77	5.86	5.90	5.99
Contained Au (ounces)	57,348	110,542	162,204	194,694	192,904	198,370	185,510	212,208	217,102	220,649
Open-cut										
Ore (tonnes)	751,394	860,754	644,722	430,167	429,971	429,213	431,767	430,258	431,202	342,054
Au grade (g/t Au)	3.7	4.4	4.7	4.3	4.5	4.0	5.0	3.3	3.8	3.8
Contained Au (ounces)	89,310	121,765	98,045	59,470	62,760	55,612	68,992	45,649	52,811	42,230
Waste (tonnes)	14,674	7,521	5,617	4,420	3,943	3,626	2,893	1,975	1,992	1,500

	2019	2020	2021	2022	Total
Underground					
Ore (tonnes)	1,085,431	1,068,780	1,000,000	953,004	13,388,504
Au grade (g/t Au)	5.81	5.54	4.82	4.95	5.70
Contained Au (ounces)	202,754	190,366	155,056	151,714	2,451,421
Open-cut					
Ore (tonnes)					5,181,502
Au grade (g/t Au)					4.18
Contained Au (ounces)					696,643
Waste (tonnes)					48,162

Annexure A

Independent Expert's Report

SINO GOLD MINING LIMITED
TECHNICAL SPECIALIST'S REPORT



4.2.10 Potential for further ore discovery

At Jinfeng, gold bearing structures continue below the -220m RL level. However, the eight diamond drill intersections made to date below -220m RL have intersected only low grade or narrow gold mineralisation (see Table 9). Based on these data, it has not been possible to postulate the existence of more resources below the current known Mineral Resource.

Table 9 Jinfeng below -220m RL – diamond drill hole intersections

bhid	from	to	length	grade
	m	m	m	g/t Au
HDDS0171A	941.0	955.0	13.0	1.43
HDDS0171B	933.0	961.0	28.0	0.81
HDDS0171C	932.0	936.0	4.0	0.05
HDDS0178	977.0	985.0	8.0	3.76
HDDS0178A	969.0	986.0	17.0	4.05
HDDS0178B	977.0	1001.0	24.0	0.18
HDDS0195	932.0	950.0	18.0	0.65
HDDS0196	1005.0	1010.0	5.0	4.87
HDDS0196	1078.0	1090.0	12.0	1.31

The lengths are down-hole lengths.

(Source Sino Gold)

4.2.11 Processing

The Jinfeng processing plant consists of the following unit operations: crushing, grinding, flotation, a regrind of the float tails, further flotation, bio-oxidation ("BIOX") of the flotation concentrate, carbon in leach ("CIL") leaching, carbon stripping and gold bullion smelting (see Figure 5). Flotation tailings are pumped to the Tailings Storage Facility ("TSF"). CIL tailings are filtered and the filtrate is trucked to the TSF and dry stacked. The TSF dam wall is currently being raised and Sino Gold report that additional TSF capacity will be required for float tails after 9 years and CIL tails after 13 years. Given the local topography, there appears to be a number of potential locations for storage of tails in a new TSF.

Sino Gold indicated no environmental or negative community issues and no obvious environmental problems were apparent.

- The basic design parameters for the plant were:
 - Plant Throughput 1.2 Mt/a
 - Plant utilisation 95%
 - Head grade 5.1 g/t
 - Flotation recovery 90%
 - BIOX/CIL recovery 95%
 - Overall recovery 85.5%

SINO GOLD MINING LIMITED
TECHNICAL SPECIALIST'S REPORT



The current year (2009) forecast is to achieve throughput 1.52M tpa at a head grade of 4.31g/t Au, at an overall recovery of 82.8% and a plant utilisation of 91.6%.

The year to date (end July) actual figures were 0.848 Mt at a head grade of 4.23g/t Au and at an overall recovery of 82.9% and an actual plant utilisation of 90.7%.

Based on the year to date figures, the actual production for the 2009 year may be about 5% less than forecast. However, minor improvements in the head grade, recovery and running time could result in the forecast being achieved.

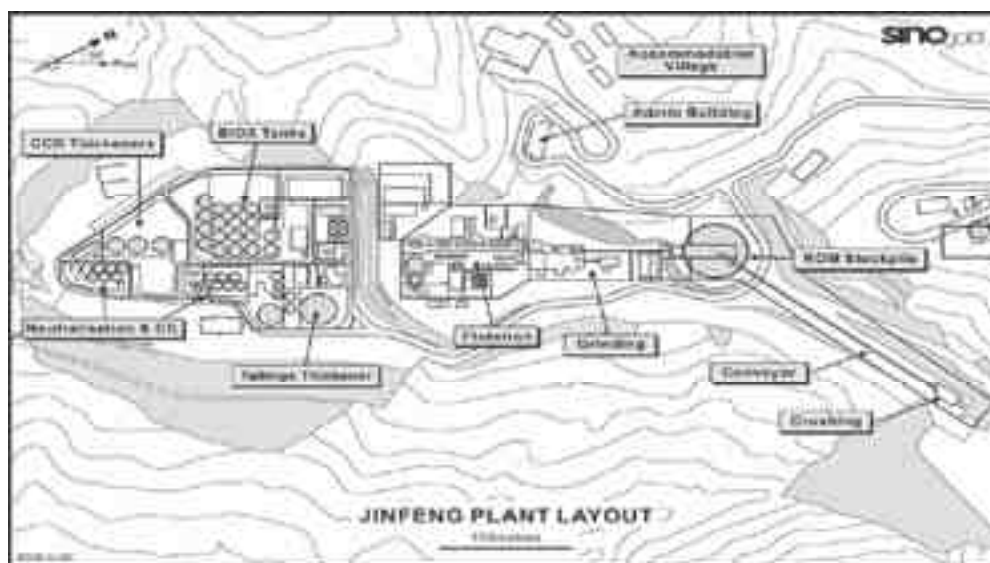
The LOM plan for 2010 includes figures of 1.45M tpa throughput at a grade of 4.96 g/t Au, a gold recovery of 85.5% and 92% plant utilisation. While it is likely the 2010 forecast (when conducted) will result in a higher throughput at possibly lower grade, a recovery of 85.5% appears difficult to achieve without process modifications.

The CIL recovery has been around the required level of 95%. However, flotation recovery has not achieved the 90% required. Loss of fine sulphides, particularly arsenopyrite, during flotation is often a problem. This suggested loss, together with the loss associated with the lower than expected head grade, may have resulted in the flotation recovery being, more typically around the 86-87% level.

The processing schedule for the Jinfeng valuation case, as finalised by M1, is shown in

Table 10

Figure 5 Jinfeng Processing Plant – schematic drawing



(Source Sino Gold)

Annexure A

Independent Expert's Report



SINO GOLD MINING LIMITED
TECHNICAL SPECIALIST'S REPORT

Table 10 Jinfeng Mine processing schedule – Valuation Case

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Ore (tonnes)	839,597	1,450,656	1,450,656	1,454,630	1,450,656	1,450,656	1,450,656	1,454,630	1,450,656	1,450,656
Feed grade (g/t Au)	4.72	4.96	5.56	5.51	5.54	5.52	5.52	5.40	5.40	5.26
Contained Au (ounces)	127,504	231,333	259,316	257,688	258,384	257,451	257,451	252,544	251,854	245,324
Recovery (%)	83.6	83.5	84.0	85.0	85.5	85.5	85.5	85.5	85.5	85.5
Recovered Au (ounces)	106,589	193,163	217,826	219,035	220,918	220,120	220,120	215,925	215,335	209,752

	2019	2020	2021	2022	Total
Ore (tonnes)	1,450,656	1,450,566	1,279,194	1,003,537	19,087,402
Feed grade (g/t Au)	4.98	5.14	4.37	4.70	5.22
Contained Au (ounces)	232,265	239,713	179,625	151,714	3,202,166
Recovery (%)	85.5	85.5	85.5	85.5	85.1
Recovered Au (ounces)	198,587	204,955	153,580	129,715	2,725,620

SINO GOLD MINING LIMITED
TECHNICAL SPECIALIST'S REPORT



4.2.12 Operating Costs

Sino Gold provided estimates of operating costs as part of its LOM plan. The costs appear to have been reasonably and logically derived and compare reasonably with actual costs for the year to date operating costs as reported in Sino Gold's monthly report for June 2009.. Sino Gold's operating costs were incorporated into M1's Valuation Case.

M1 has, however, removed any reduction in underground operating costs from Sino Gold's Continuous Improvement Plan where Capital was not allocated to bring about such improvement.

4.2.13 Capital Costs

Sino Gold provided estimates of capital costs as part of its LOM plan. In comparison with M1's experience with similar sized gold projects, the capital costs appear to be reasonable. Sino Gold's capital costs were incorporated into M1's Valuation Case and were extrapolated to cover the extra mine life included in M1's Valuation Case. In addition, some extra capital costs were added to allow for the costs of mine closure and rehabilitation.

Annexure A

Independent Expert's Report



SINO GOLD MINING LIMITED
TECHNICAL SPECIALIST'S REPORT

4.2.14 Summary of Cost Estimates

Table 11 Jinfeng operating costs – Valuation Case

Mining	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Underground										
Ore (tonnes)	348,754	654,905	855,103	1,005,924	1,000,000	1,000,000	1,000,000	1,126,351	1,144,515	1,145,737
Operating cost US\$/t ore	26.0	27.4	27.4	26.3	26.7	25.8	27.3	26.5	27.1	28.2
Total	9,053,654	17,936,588	23,392,749	26,469,073	26,680,209	25,782,728	27,349,206	29,859,448	30,965,411	32,258,685
Open-cut										
Ore (tonnes)	751,394	860,754	644,722	430,167	429,971	429,213	431,767	430,258	431,202	342,054
Operating cost US\$/t ore	15.42	14.62	13.85	15.49	15.16	13.76	12.39	8.89	8.19	7.87
Total	11,586,495	12,581,987	8,931,948	6,663,791	6,518,628	5,905,047	5,350,669	3,823,969	3,532,619	2,690,436

	2019	2020	2021	2022	Total
Underground					
Ore (tonnes)	1,085,431	1,068,780	1,000,000	953,004	13,388,504
Operating cost US\$/t ore	28.1	26.9	26.7	26.7	26.7
Total	30,456,709	28,787,134	26,744,477	25,487,594	361,223,665
Open-cut					
Ore (tonnes)					5,181,502
Operating cost US\$/t ore					13.04
Total					67,585,589



Processing	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Ore (tonnes)	839,597	1,450,656	1,450,656	1,454,630	1,450,656	1,450,656	1,450,656	1,454,630	1,450,656	1,450,656
Operating cost US\$/t ore	22.66	21.97	21.93	21.47	21.63	21.76	21.82	21.78	21.83	21.37
Total	19,025,268	31,864,584	31,815,805	31,229,851	31,384,630	31,572,688	31,647,588	31,688,108	31,671,160	30,994,690

Processing	2019	2020	2021	2022	Total
Ore (tonnes)	1,450,656	1,450,566	1,279,194	1,003,537	19,087,402
Operating cost US\$/t ore	21.23	22.05	22.05	22.05	21.80
Total	30,804,639	31,984,980	28,206,228	22,127,991	416,018,212

Administration	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Total	4,626,179	8,972,132	8,971,215	8,971,215	8,903,081	8,902,884	8,915,490	8,945,214	8,872,616	8,873,611

Administration	2019	2020	2021	2022	Total
Total	8,869,322	8,855,121	8,855,121	8,855,121	120,388,325

Table 12 Jinfeng capital costs – Valuation Case

Capital Costs	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Total	22,913,200	20,597,913	17,999,919	13,381,544	12,700,663	10,232,122	16,231,988	10,985,917	12,438,616	15,525,775

Capital Costs	2019	2020	2021	2022	Total
Total	8,609,049	7,551,799	5,288,454	5,143,750	179,600,727

Annexure A

Independent Expert's Report

SINO GOLD MINING LIMITED
TECHNICAL SPECIALIST'S REPORT



4.3 White Mountain

4.3.1 Location

White Mountain is a gold project located 230 km south-southeast of Changchun, the capital city of Jilin Province in northeast China. The site is in an agricultural area only 7 km from the prefecture level city of Baishan, a coal and iron ore mining centre. (Figure 6) The area around the mine is hilly and the climate is continental: average annual rainfall is about 900mm which falls mainly from June to August; summers are hot with daily average maximum temperature of about 21°C and winters are cold with daily average maximum temperatures of -10°C.

The climate in summer is mild but in winter can be harsh. However, all ore comes from underground mining, the processing plant is completely enclosed and the local road and power infrastructure is well established and there are not expected to be any major disruptions to mining or processing due to adverse weather.

Figure 6 Location of White Mountain Gold Mine



(Source Sino Gold)

4.3.2 History

Previous White Mountain tenement holders had identified gold bearing mineralisation at the surface and had exposed the mineralisation by two cross-cuts from an adit. Sino Gold entered a joint venture to explore the White Mountain deposits in late 2003 and, by January 2007 had announced a significant Mineral Resource for the project. In August 2007, the Board of Directors of Sino Gold approved construction of the White Mountain Mine and production from the mine began in late 2008.

SINO GOLD MINING LIMITED
TECHNICAL SPECIALIST'S REPORT



4.3.3 Infrastructure and labour

The White Mountain Mine commenced operating in late 2008 until operations were suspended in August 2009. Adequate infrastructure and labour are in place. It should be mentioned that the suspension of operations at White Mountain was due to a blockade by a small group of some twenty farmers who were seeking compensation on the basis that water discharged from the mine is causing them concern. At the time of writing, the White Mountain Mine was still not operating.

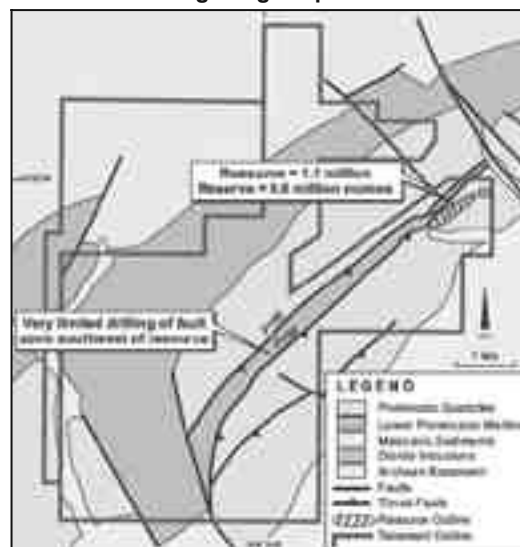
4.3.4 Local Geology

The White Mountain gold mineralisation is located in a NE striking fault zone which transects Proterozoic quartzites and limestones (see Figure 7). The gold mineralisation is best developed at the intersection of two faults, known locally as F100 and F102, and occurs in silicified fault breccia containing pyrite veinlets.

The gold mineralisation is known over a strike length of about 1500m and to a depth below surface of about 450m (see Figure 8). The mineralisation dips between 25° and 70° to the SE and ranges up to about 30m in horizontal thickness (see Figure 9).

The gold mineralisation is partly oxide and partly pyritic. The oxide mineralisation is not subject to a limit related to depth below the surface, rather the oxidation of the mineralisation tends to be zoned horizontally from its contacts: the core of the mineralisation is generally, but not always, pyritic and is flanked by oxide mineralisation on the footwall and hangingwall sides.

Figure 7 White Mountain – schematic geological plan



(Source Sino Gold)

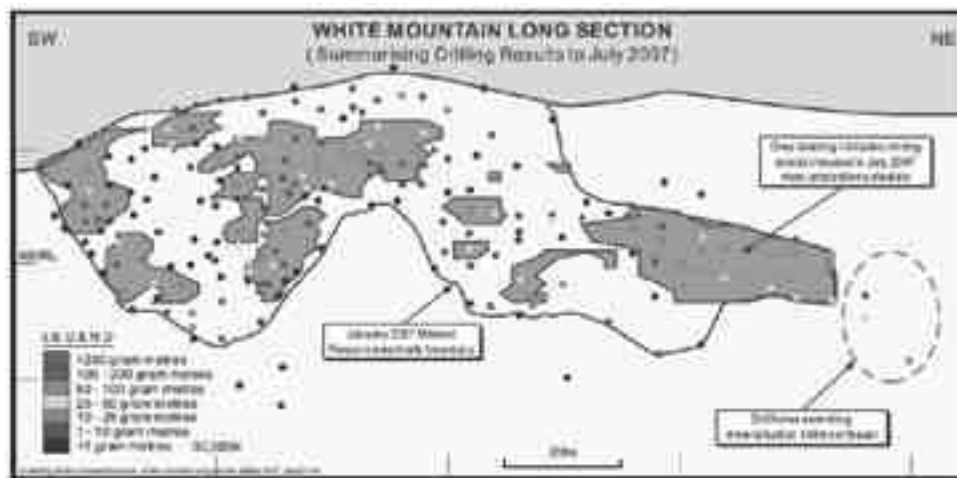
Annexure A

Independent Expert's Report

SINO GOLD MINING LIMITED
TECHNICAL SPECIALIST'S REPORT



Figure 8 White Mountain – longitudinal projection



(Source Sino Gold)

SINO GOLD MINING LIMITED
 TECHNICAL SPECIALIST'S REPORT



Figure 9 White Mountain – cross-section 36



(Source Sino Gold)

Annexure A

Independent Expert's Report

SINO GOLD MINING LIMITED
TECHNICAL SPECIALIST'S REPORT



4.3.5 Mineral Resources

The White Mountain Mineral Resources and Ore Reserves as at December 2008 were reported in the Sino Gold Annual Report for 2008 in a form complying with the requirements of the JORC code. In addition, Sino Gold prepared a separate report explaining succinctly how the estimates were made; the report addressed the particular requirements of the JORC code.

The Mineral Resources are summarised in Table 13.

M1 has not systematically or comprehensively reviewed the block model or the underlying data on which the Mineral Resource estimate was based. The methods used for the Mineral Resource estimate were appropriate for the style of mineralisation at Jinfeng. The Competent Person for the Jinfeng Mineral Resource estimate was Dr Yumin Qiu (MAIG), a full time employee of Sino Gold in the capacity of General Manager, China Exploration. He is a geologist with more than 25 years experience in the mining industry in Australia and China (Sino Gold Annual Report 2008).

The Mineral Resource appears to have been estimated in a reasonable manner and the Mineral Resource estimates appear to be reasonably reliable.

Table 13 2009 White Mountain Mineral Resources – 31 December 2008

	Category	Million tonnes	Grade g/t Au	Gold '000oz
White Mountain	Measured	6.7	3.1	673
	Indicated	4.0	3.1	405
	Sub-Total M+I	10.7	3.1	1,079
	Inferred	1.6	2.1	109
	Total White Mountain	12.4	3.0	1,188

Note: Measured and Indicated Mineral Resources are inclusive of Ore Reserves.
(Source Sino Gold)

4.3.6 Mining methods

Initially, the stoping methods planned for White Mountain were sub-level open stoping and cut and fill (see Figure 10). Recently, Sino Gold decided that much of the ore which was to be stoped by cut and fill could be stoped by benching. This is a more productive mining method with commensurate savings in operating costs. Access to stopes is by way of a decline (see Figure 10).

The equipment used for mining includes jumbo drills and diesel powered loaders and trucks. There is nothing unusual or novel about the underground mining methods.

Ground conditions in the mineralisation and the hangingwall host rocks at White Mountain could generally be described as good. The limestone in the footwall is cavernous and carries water and development in the limestone has been avoided to date and this is reasonable. This gives rise to one aspect of the mine which was not envisaged during the early planning stages. As just mentioned, the limestone contains many water bearing cavities which have increased the pumping requirements for the mine. In addition, these water bearing cavities have the potential to constitute a hazard to personnel and equipment in the mine if a sufficiently large water-bearing cavity were breached.

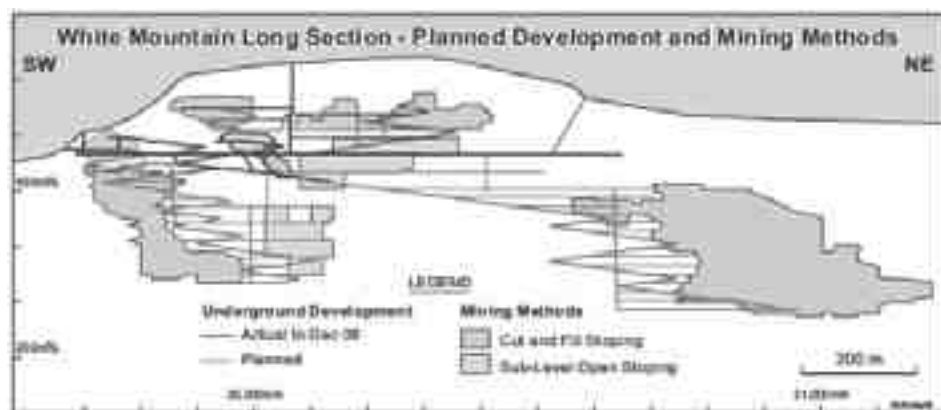
To avoid underground development in the limestone, the decline and stope accesses are all located in quartzites in the hangingwall of the gold mineralisation. It is routine practice at the mine for grade control diamond drill holes to be

SINO GOLD MINING LIMITED
TECHNICAL SPECIALIST'S REPORT



extended through the mineralised zone into the limestone to allow for the de-watering of the limestone in advance of stoping.

Figure 10 White Mountain – longitudinal projection



(Source Sino Gold)

4.3.7 Ore Reserves

The White Mountain Mineral Resources and Ore Reserves as at December 2008 were reported in Sino Gold Limited's Annual Report for 2008 in a form complying with the requirements of the JORC code. In addition, Sino Gold prepared a separate report explaining succinctly how the estimates were made; this report addressed the particular requirements of the JORC.

The Ore Reserves are summarised in Table 14. The split between oxide and pyritic ore is detailed in **Error! Reference source not found.** Note that the pyritic ore reserves represent approximately 12% of the total reserves. This ratio has been taken into account in deriving the appropriate metallurgical recovery in the White Mountain LOM plan.

The Ore Reserves were estimated within stope designs at a cut-off grade of 2.0g/t Au, mining recovery of 90% for cut and fill and 82% for sub-level open stopes, and dilution rates of 12% at 0.5g/t Au for cut and fill stopes and 23% at 1.4g/t Au for sub-level open stopes. These factors are all within the expected ranges.

M1 has not systematically or comprehensively reviewed the block model or the underlying data on which the Mineral Resource estimate is based or the stope designs on which the Ore Reserve was based. The Competent Person for the Jinfeng underground Ore Reserve estimate was Dr John Chen (MAusIMM), a full time employee of Sino Gold in the capacity of Manager – Mining, Technical Services. He is a mining engineer with more than 20 years experience in the mining industry in Australia and China (Sino Gold Limited Annual Report 2008).

Sino Gold's report of Mineral Resources and Ore Reserves conforms with the JORC code and, although the mine is in the early days of production, the Ore Reserve estimates appear to be reasonably reliable.

Annexure A

Independent Expert's Report

SINO GOLD MINING LIMITED
TECHNICAL SPECIALIST'S REPORT



Table 14 White Mountain Ore Reserves – 31 December 2008

	Category	Million Tonnes	Grade g/t Au	Gold '000oz
White Mountain	Proved	4.3	3.6	406
	Probable	2.3	4.0	290
Sub-Total White Mountain Underground		6.6	3.7	796
White Mountain Stockpile	Proved	0.05	3.0	4
Total White Mountain	Proved	4.3	3.6	500
	Probable	2.3	4.0	290
Total White Mountain		6.6	3.7	790

(Source Sino Gold)

Table 15 White Mountain Ore Reserve – split between pyrite ore and oxide ore

Ore Type	Category	Ore Tonnes ('000)	Grade (g/t gold)	Cont Gold ('000 Oz)
Oxide Ore	Proved Ore Reserve	3,806	3.51	430
	Probable Ore Reserve	2,027	3.98	259
	Total – Oxide Ore	5,833	3.67	689
Pyrite Ore	Proved Ore Reserve	474	4.29	66
	Probable Ore Reserve	243	3.98	31
	Total – Pyrite Ore	717	4.18	97
Ore stockpile		46	3.01	4
Total	Proved Ore Reserve	4,325	3.59	500
	Probable Ore Reserve	2,270	3.98	290
	Grand Total	6,596	3.77	790

(Source Sino Gold)

The cut-off grades for this White Mountain Ore Reserve estimate were based on:

- Gold price of US\$750/oz;
- Operating costs based on the second half of the 2009 budget; and
- An owner operated production plan.

SINO GOLD MINING LIMITED
TECHNICAL SPECIALIST'S REPORT



The pyrite ore co-exists with the oxide ore, and in most cases they will be better extracted together. An overall metallurgical recovery of 84.9% was therefore used to determine a cut-off grade for each mining method. The overall metallurgical recovery was based on:

- Metallurgical recovery of 88% estimated for the oxide ore;
- Metallurgical recovery of 60% estimated for the pyrite ore; and
- Pyrite ore comprising 11% of total resources reported in the January 2008 Ordinary Kriged

Based on the above parameters, the cut-off grade for the CAF and SLOS was 2.0g/t Au.

The Ore Reserve appears to have been estimated in a reasonable manner.

4.3.8 Reconciliation of Resources and Reserves

Production at White Mountain commenced in late 2008 and, to date, there are insufficient data and information to make sensible reconciliations between Ore Reserve models, Grade Control models, reported mine production and ore processed.

4.3.9 Life of Mine Plan

The Sino Gold LOM plan for White Mountain was reviewed and modified as a number of errors were found in the model.

Two cases were prepared:

- Case 1: based on the Sino Gold LOM plan which represents the ore reserves, and
- Case 2: also includes a 50% conversion of the Inferred Resources at a 20% grade uplift and blue sky of 422 000 t at LOM average grade. This case adds two years to the mine life. The 20% grade uplift factor was based on the conversion of Measured and Indicated Mineral Resource to a Proved and Probable Reserve.

In both cases, it was assumed that there will only be three months of mine production in the second half of the 2009 due to a continuing local dispute.

The only grades in the Sino Gold LOM plan were included as feed grades in the ore processing sheet. No grades were included in the mining schedule, so, M1 used the mill feed grade as the mine head grade. The mine production schedules for the two cases are shown in Table 20 and

Table 21.

Annexure A

Independent Expert's Report



SINO GOLD MINING LIMITED
TECHNICAL SPECIALIST'S REPORT

Table 16 White Mountain – mine production schedule for Case 1

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Ore (tonnes)	169,650	670,000	670,000	670,000	670,000	670,000	670,000	670,000	670,000	670,000
Au grade (g/t Au)	4.31	4.00	4.00	3.72	3.25	3.15	3.34	3.40	3.59	3.44
Contained Au (ounces)	23,508	86,164	86,164	80,132	70,008	67,854	71,947	73,239	77,332	74,101

	2019	2020	Total
Ore (tonnes)	670,000	118,000	6,987,650
Au grade (g/t Au)	3.38	3.50	3.55
Contained Au (ounces)	72,809	13,236	796,495

Table 17 White Mountain – mine production schedule for Case 2

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Ore (tonnes)	169,650	670,000	670,000	670,000	670,000	670,000	670,000	670,000	670,000	670,000
Au grade (g/t Au)	4.31	4.00	4.00	3.72	3.25	3.15	3.34	3.40	3.59	3.44
Contained Au (ounces)	23,508	86,164	86,164	80,132	70,008	67,854	71,947	73,239	77,332	74,101

	2019	2020	Total
Ore (tonnes)	670,000	670,000	8,199,650
Au grade (g/t Au)	3.38	3.31	2.52
Contained Au (ounces)	72,809	71,286	53,473
			908,018

SINO GOLD MINING LIMITED
TECHNICAL SPECIALIST'S REPORT



4.3.10 Processing

The White Mountain processing plant consists of crushing, grinding to 45 microns, a CIL plant and filtration of tailings with storage of solids in the tailings storage facility. No flow sheet was made available however the process is common throughout the world and demonstrates no particular technical difficulties other than the standard of optimising throughput, recoveries, and costs.

The Board Feasibility Study stated that the processing plant was designed for a throughput of 658,000 t/a at a project grade of 4.17 g/t and an average gold recovery of 80.1%.

The year to date (June 2009) actual production figures were; 218,735 tonnes processed at a grade of 3.72 g/t and a gold recovery of 79%.

The full year forecast (2009) predicts 556,000 tonnes treated at a grade of 4.25 g/t and a gold recovery of 83%.

The plant is capable of a higher monthly throughput than achieved in the first six months of the year and the forecast annual tonnage could be achieved depending upon ore supply from the mine.

Sino Gold notes that the gold recovery is dependent upon the proportion of the semi-refractory component in the ore. Test work shows that the recovery from the semi-refractory ore was 65% and the recovery from the non refractory component was 85%.

The effect of these ore types can be seen, in that the reported recovery for June 2009 was 87% and the recovery for July was 67%, the lower recovery reflecting the very high proportion of semi-refractory ore processed in July. The variation in recovery highlights a risk to the project. Sino Gold has stated that the semi-refractory component represents some 9 – 22% of the mineable resource and that this results in an overall recovery in the range 82-85%.

Tailings are dry stacked in a plastic lined tailings facility. Sino Gold informed M1 that the facility's location has the capacity to store tails from the current reserve.

At the time of the visit to site the mine was effectively closed due to a dispute between local downstream farmers and the mine. M1 understands that these people have concerns with volume and turbidity of the water being pumped from the mine. Whilst there has been agreement from the environmental agencies that the issues are resolved, the dispute has not. How this impacts upon the mine's ongoing operation has not been part of this report. Sino Gold also indicated no other environmental problems exist and none were apparent.

Annexure A

Independent Expert's Report



SINO GOLD MINING LIMITED
TECHNICAL SPECIALIST'S REPORT

Table 18 White Mountain - processing schedule for Case 1

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Ore (tonnes)	169,650	670,000	670,000	670,000	670,000	670,000	670,000	670,000	670,000	670,000
Au grade (g/t Au)	4.31	4.00	4.00	3.72	3.25	3.15	3.34	3.40	3.59	3.44
Recovery (%)	79	81	82	82	82	82	82	82	82	82
Recovered Au (ounces)	19,181	68,751	70,654	65,709	57,407	55,640	58,996	60,056	63,412	60,762

	2019	2020	Total
Ore (tonnes)	670,000	118,000	6,987,650
Au grade (g/t Au)	3.38	3.50	3.55
Recovery (%)	82	82	82
Recovered Au (ounces)	59,702	11,776	652,050

Table 19 White Mountain – processing schedule for Case 2

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Ore (tonnes)	169,650	670,000	670,000	670,000	670,000	670,000	670,000	670,000	670,000	670,000
Au grade (g/t Au)	4.31	4.00	4.00	3.72	3.25	3.15	3.34	3.40	3.59	3.44
Recovery (%)	79	81	82	82	82	82	82	82	82	82
Recovered Au (ounces)	19,181	68,751	70,654	65,709	57,407	55,640	58,996	60,056	63,412	60,762

	2019	2020	2021	Total
Ore (tonnes)	670,000	670,000	660,000	8,199,650
Au grade (g/t Au)	3.38	3.31	2.52	3.44
Recovery (%)	82	82	82	82
Recovered Au (ounces)	59,703	58,454	44,512	743,240

P:\1363_M Grant Samuel Sino Tech Evaluation\WPO\2041.doc

32

SINO GOLD MINING LIMITED
TECHNICAL SPECIALIST'S REPORT



4.3.11 Operating Costs

Sino Gold is evaluating the potential to decrease operating costs by utilizing employees to mine the SLOS stopes rather than the contractor.

Unit mine operating costs were provided by Sino Gold and are depicted in **Error! Reference source not found..** M1 reviewed the unit costs and increased the dewatering costs from US\$0.26 to US\$1.00, based on an inspection of the dewatering requirements during the site visit (see also 5.3.5 Mining Methods).

Unit processing costs of US\$13.80 were provided by Sino Gold, but no breakdown of this cost was provided.

Sino Gold's operating costs appear reasonable when comparing to costs at Jinfeng Mine.

4.3.12 Capital Costs

Sino Gold's sustaining capital costs for the LOM were US\$42 million (US\$6.17 per tonne of ore) but these costs did not allow for mine rehabilitation or closure costs, so, M1 added US\$15 million in capital costs in 2020m and 2021 to allow for these. Apart from this change, in comparison with M1's experience with similar sized gold projects, the capital costs appear to be reasonable.

Annexure A

Independent Expert's Report



SINO GOLD MINING LIMITED
TECHNICAL SPECIALIST'S REPORT

4.3.13 Summary of Cost Estimates

Table 20 White Mountain LOM operating costs – Case 1

Mining	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Ore (tonnes)	169,650	670,000	670,000	670,000	670,000	670,000	670,000	670,000	670,000	670,000
Operating cost US\$/t	17.14	21.77	21.77	21.77	21.77	21.77	21.77	21.77	21.77	21.77
Total	2,908,070	14,585,900	14,585,900	14,585,900	14,585,900	14,585,900	14,585,900	14,585,900	14,585,900	14,585,900

Mining	2019	2020	Total
Ore (tonnes)	670,000	118,000	6,987,650
Operating cost US\$/t	21.77	21.77	21.66
Total	14,585,900	2,560,718	151,327,788

Processing	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Ore (tonnes)	175,000	670,000	670,000	670,000	670,000	670,000	670,000	670,000	670,000	670,000
Operating cost US\$/t	17.00	15.00	13.80	13.80	13.80	13.80	13.80	13.80	13.80	13.80
Total	2,971,996	9,900,000	9,246,000	9,246,000	9,246,000	9,246,000	9,246,000	9,246,000	9,246,000	9,246,000

Processing	2019	2020	Total
Ore (tonnes)	670,000	128,000	6,993,000
Operating cost US\$/t	13.80	15.00	14.02
Total	9,246,000	1,914,390	98,000,390



Administration	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Total	2,355,663	3,597,183	3,651,280	3,647,076	3,640,019	3,638,518	3,641,371	3,642,271	3,645,124	3,642,872

Administration	2019	2020	Total
Total	3,673,631	2,070,000	40,845,007

Capital Costs	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Total	4,676,213	5,990,472	6,131,096	5,792,526	2,849,586	2,774,365	2,468,732	2,616,109	1,601,490	1,026,095

Table 21 White Mountain LOM capital costs – Case 1

Capital Costs	2019	2020	2021	Total
Total	514,918	5,000,000	10,000,000	51,441,601

Annexure A

Independent Expert's Report



SINO GOLD MINING LIMITED
TECHNICAL SPECIALIST'S REPORT

Table 22 White Mountain LOM operating costs – Case 2

Mining	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Ore (tonnes)	169,650	670,000	670,000	670,000	670,000	670,000	670,000	670,000	670,000	670,000
Operating cost US\$/t	17.14	21.77	21.77	21.77	21.77	21.77	21.77	21.77	21.77	21.77
Total	2,908,070	14,585,900	14,585,900	14,585,900	14,585,900	14,585,900	14,585,900	14,585,900	14,585,900	14,585,900

Mining	2019	2020	2021	Total
Ore (tonnes)	670,000	670,000	660,000	6,987,650
Operating cost US\$/t	21.77	21.77	21.77	21.67
Total	14,585,900	14,585,900	14,368,200	177,721,170

Processing	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Ore (tonnes)	175,000	670,000	670,000	670,000	670,000	670,000	670,000	670,000	670,000	670,000
Operating cost US\$/t	17.00	15.00	13.80	13.80	13.80	13.80	13.80	13.80	13.80	13.80
Total	2,971,996	9,900,000	9,246,000	9,246,000	9,246,000	9,246,000	9,246,000	9,246,000	9,246,000	9,246,000

Processing	2019	2020	2021	Total
Ore (tonnes)	670,000	670,000	670,000	8,199,650
Operating cost US\$/t	13.80	13.80	13.80	13.96
Total	9,246,000	9,246,000	9,246,000	114,577,996



Administration	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Total	2,355,663	3,597,183	3,651,280	3,647,076	3,640,019	3,638,518	3,641,371	3,642,271	3,645,124	3,642,872

Administration	2019	2020	2021	Total
Total	3,673,631	3,673,631	3,673,631	46,115,007

Table 23 White Mountain LOM capital costs – Case 2

Capital Costs	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Total	4,676,213	5,990,472	6,131,096	5,792,526	2,849,586	2,774,365	2,468,732	2,616,109	1,601,490	1,026,095

Capital Costs	2019	2020	2021	Total
Total	2,000,000	2,000,000	500,000	15,000,000
				55,426,683

Annexure A

Independent Expert's Report

SINO GOLD MINING LIMITED
TECHNICAL SPECIALIST'S REPORT



4.4 Eastern Dragon

4.4.1 Location

The Eastern Dragon Project is located in Heilongjiang Province in northern China (Figure 11). The project is located in an area of lightly forested rolling hills. Average annual rainfall is about 430mm mostly falling between June and September. Winters in this area are severe with snow cover from October to April. The proposed open-cut mine at Eastern Dragon has a relatively modest annual ore and waste schedule and a relatively short life: proposed maximum annual material movement is less than 3M tonnes of ore and waste, and the proposed open-cut life is less than four years (see Table 26). The underground mine should not be severely adversely impacted by weather conditions. The proposed production should be achievable even in the event of snow cover stopping work in the mine for part of the year. The processing plant is planned to be housed inside heated buildings.

Figure 11 Eastern Dragon - location



(Source Sino Gold)

4.4.2 History

In 1998, 707 Brigade of the Heilongjiang Non-ferrous Metals Geology and Exploration Bureau discovered gold mineralisation at Eastern Dragon. Lode 5, the principal mineralised zone at Eastern Dragon was identified by the brigade in 1999. The brigade completed over 45,000m³ of trenching, nearly 9000m of diamond drilling and about 1900m of underground exploration development. Sino Gold formed a joint venture with the brigade in 2005 and completed nearly 13,000m of diamond drilling.

By March 2009, Sino Gold had increased its equity in the Eastern Dragon Project to 95%.

In April 2009, Sino Gold prepared a Board Feasibility Review and the Board of Directors of Sino Gold announced that a mine would be developed at Eastern Dragon.

SINO GOLD MINING LIMITED
TECHNICAL SPECIALIST'S REPORT



4.4.3 Tenement Status

The identified gold resources at the Eastern Dragon deposit are contained in a 0.14sq.km Exploration Licence (refer Figure 12), in which Sino Gold have 95% equity. This Exploration Licence encloses the Measured, Indicated and Inferred Resources outlined to date by Sino Gold, and further discussed in Section 4.4.7. An application to convert the Exploration Licence to a Mining Lease is currently being processed by the regulatory authorities.

4.4.4 Infrastructure and labour

The last 8km of road access to Eastern Dragon are unsealed; this access will be upgraded when construction commences.

Water supply is planned from the Kuerbin River which passes about 1.2km north of the proposed mine site.

35KV power is available from Erlian which is about 8km from the proposed mine site.

Optical fibre cables for telecommunications will be connected to existing facilities which are 8km distant.

Eastern Dragon is located in a remote area close to the border with Russia (see Figure 11). It will be difficult to recruit skilled labour locally. There are several mines, including a gold mine, about a days drive from the proposed mine site and these may be a source of skilled operators. On-site accommodation will be needed for most of the labour force.

Coal for firing boilers is available from the Hegang Coal mine which is 100km away by road. There is a possibility that some coal could be sourced from small coal mines near the proposed mine site.

4.4.5 Local Geology

The Eastern Dragon gold and silver occur in vein and breccia hosted low sulphidation mineralisation which is hosted in a series of small faults at the edge of a volcanic basin. The principal gold and silver bearing structure is known as Lode 5 (see Figure 12) and all of the declared Mineral Resource at Eastern Dragon occurs within Lode 5. Part of the area is covered by sand (see Figure 12).

Gold in Lode 5 is coarse grained and amenable to recovery by gravity methods (see also 5.4.6 Processing).

The Lode 5 mineralisation contains significant silver as well as gold, for example, the average grades of the combined Measured and Indicated Mineral Resource are 8.3g/t Au and 76g/t Ag (see Table 24).

Lode 5 has a strike length of nearly 1000m (see Figure 12 and Figure 14), an average horizontal thickness of about 6m, and is known to a depth of about 300m (see Figure 14). Lode 5 has a near vertical dip (see Figure 13).

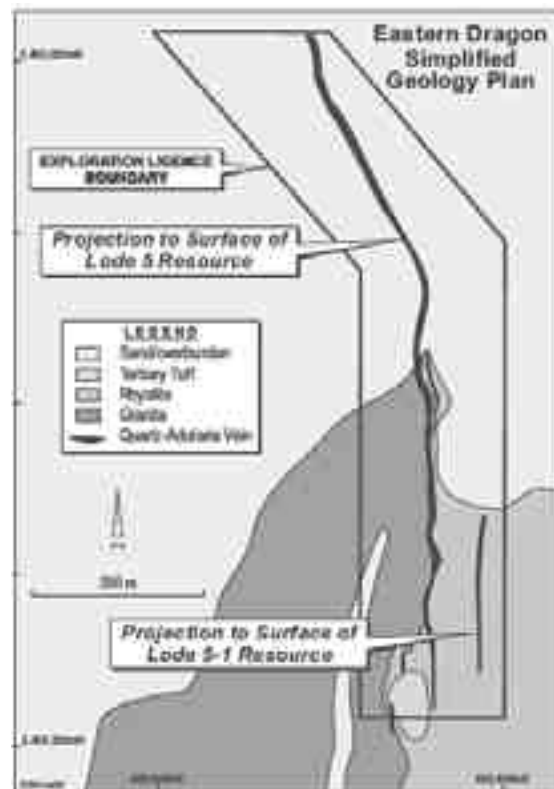
Annexure A

Independent Expert's Report

SINO GOLD MINING LIMITED
TECHNICAL SPECIALIST'S REPORT



Figure 12 Eastern Dragon – schematic geology plan



(Source Sino Gold)

Annexure A

Independent Expert's Report

SINO GOLD MINING LIMITED
TECHNICAL SPECIALIST'S REPORT



4.4.7 Mineral Resources and Ore Reserves

The White Mountain Mineral Resources and Ore Reserves as at December 2008 were reported in the Sino Gold Annual Report for 2008 in a form complying with the requirements of the JORC code. In addition, Sino Gold prepared a separate report explaining succinctly how the estimates were made; the report addressed the particular requirements of the JORC code.

The Mineral Resources and Ore Reserves are summarised in Table 24 and Table 25 and the locations of the Resources are shown in Figure 14.

M1 has not systematically or comprehensively reviewed the block model or the underlying data on which the Mineral Resource estimate was based. The methods used for the Mineral Resource estimate were appropriate for the style of mineralisation at Eastern Dragon. The Competent Person for the Eastern Dragon Mineral Resource estimate was Dr Yumin Qiu (MAIG), a full time employee of Sino Gold in the capacity of General Manager, China Exploration. He is a geologist with more than 25 years experience in the mining industry in Australia and China (Sino Gold Annual Report 2008).

Sino Gold's report of Mineral Resources and Ore Reserves conforms with the JORC code, the Mineral Resource and Ore Reserve have been estimated in a reasonable manner and the estimates appear to be reasonably reliable.

Ore Reserves were based on a gold price of US\$650 per ounce and a silver price of US\$10 per ounce. Open-cut Ore Reserves were estimated within Mineral Resources using a working open-cut design and at a cut-off grade of 1.5g/t Au. Underground Ore Reserves were estimated using a cut-off grade of 2.5g/t Au. The metal prices used were reasonable at the time of estimation and the cut-off grades compare well with cut-off grades at Sino Gold's operating mines.

Open-cut Ore Reserves were estimated using 95% mining recovery and 10% dilution at zero grade. Underground Ore Reserves were estimated using 95% mining recovery and 15% dilution at zero grade. These factors are within the expected ranges.

Allowing for the silver content, the total contained gold equivalent in the Mineral Resource was estimated for this report:

Contained gold	777,000 ounces
Contained silver	7,200,000 ounces
Gold price	US\$1,000 per ounce
Silver price	US\$15 per ounce
Total contained gold equivalent	$777,000 + (7,200,000 * 15 / 1000) = 885,000$ ounces

M1 has not systematically nor comprehensively reviewed the open-cut and underground designs on which the Ore Reserve was based. The Competent Person for the Eastern Dragon open-cut Ore Reserve estimate was Dr John Chen (MAusIMM), a full time employee of Sino Gold in the capacity of Manager – Mining, Technical Services. He is a mining engineer with more than 20 years experience in the mining industry in Australia and China (Sino Gold Annual Report 2008).

Allowing for the silver content, the total contained gold equivalent in the Ore Reserve was estimated:

Contained gold	527,000 ounces
Contained silver	4,400,000 ounces
Gold price	US\$1,000 per ounce

SINO GOLD MINING LIMITED
TECHNICAL SPECIALIST'S REPORT



Silver price US\$15 per ounce

Total contained gold equivalent $527,000 + (4,400,000 * 15 / 1000) = 593,000$ ounces

Table 24 Eastern Dragon Mineral Resources – 31 December 2008

	Category	Million Tonnes	Grade g/t Au	Gold '000oz	Grade g/t Ag	Silver Moz.
Eastern Dragon	Measured	0.6	11.2	220	83	1.6
	Indicated	1.6	7.2	361	73	3.7
	Sub-Total M+I	2.2	8.3	581	76	5.3
	Inferred	1.2	5.0	196	50	1.9
	Total Eastern Dragon	3.4	7.1	777	66	7.2

*Note: Measured and Indicated Mineral Resources are inclusive of Ore Reserves.
(Source Sino Gold)*

Table 25 Eastern Dragon Ore Reserves – 31 December 2008

	Category	Million Tonnes	Grade g/t Au	Gold '000oz	Grade g/t Ag	Silver Moz.
Eastern Dragon	Proved	0.7	9.8	266	72	1.5
	Probable	1.3	7.6	321	69	2.9
	Total Eastern Dragon	2.0	8.4	527	70	4.4

(Source Sino Gold)

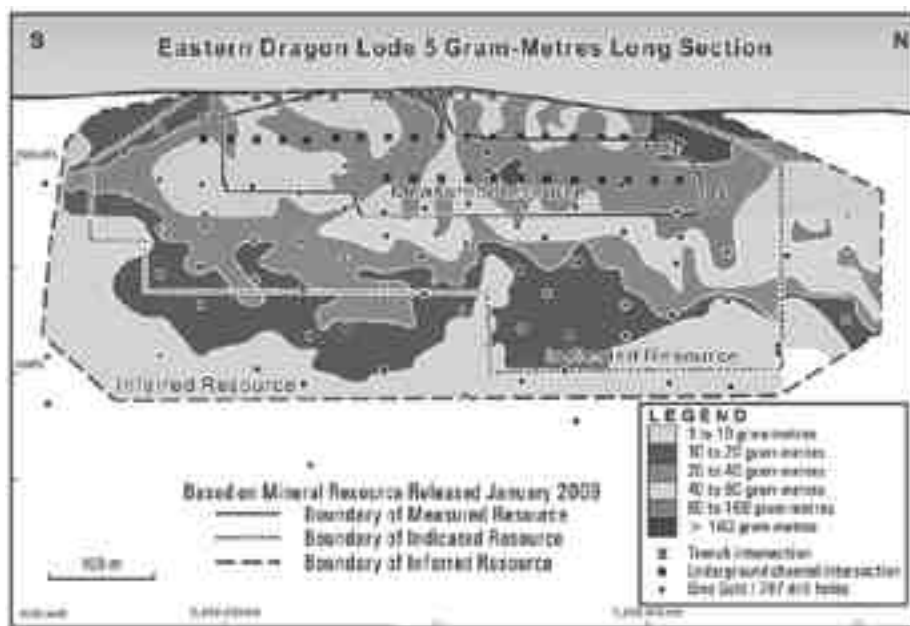
Annexure A

Independent Expert's Report

SINO GOLD MINING LIMITED
TECHNICAL SPECIALIST'S REPORT



Figure 14 Eastern Dragon – longitudinal projection showing location of Mineral Resources



(Source Sino Gold)

4.4.8 Valuation Cases

Sino Gold included a LOM production schedule in its Eastern Dragon Project Board Feasibility Review dated 9 April 200.



Table 26 Eastern Dragon production schedule – Case 1

	Total	2010	2011	2012	2013	2014	2015	2016	2017	2018
Open pit										
Ore Reserve tonnes	383,777	45,000	202,500	136,277						
Ore Reserve Au Grade (g/t)	11.5	11.5	11.5	11.5						
Ore Reserve Ag Grade (g/t)	67	67	67	67						
Contained Au equivalent ounces	154,027	18,061	81,272	54,694						
Inferred Mineral Resource tonnes	80,088			80,088						
Inferred Mineral Resource Au Grade (g/t)	13.5			13.5						
Inferred Mineral Resource Ag Grade (g/t)	60			60						
	37,129			37,129						
Tonnes of waste	5,799,291	2,477,962	2,505,677	815,652						
Strip ratio	12.5	55.1	12.4	3.8						
Underground										
Upper level Ore Reserve tonnes	1,080,901			121,135	360,000	360,000	239,766			
Upper level Ore Reserve Au Grade (g/t)	8.9			8.9	8.9	8.9	8.9			
Upper level Ore Reserve Ag Grade (g/t)	75			75	75	75	75			
Contained Au equivalent ounces	348,360			39,040	116,023	116,023	77,273			
Lower level Ore Reserve tonnes	497,832					120,234	360,000	17,698		
Lower level Ore Reserve Au Grade (g/t)	4.8					4.8	4.8	4.8		
Lower level Ore Reserve Ag Grade (g/t)	60					60	60	60		
Contained Au equivalent ounces	90,733					21,909	65,599	3,225		
Inferred Mineral Resource tonnes	621,515							342,302	279,213	
Inferred Mineral Resource Au Grade (g/t)	5.6							5.6	5.6	
Inferred Mineral Resource Ag Grade (g/t)	27							27	27	
Contained Au equivalent ounces	120,085							66,138	53,948	
Total ore mined										
Tonnes	2,664,213	45,000	202,500	337,500	360,000	360,000	360,000	360,000	360,000	279,213
Au Grade (g/t)	7.9	11.5	11.5	11.0	8.9	8.9	7.5	4.8	5.6	5.6
Ag Grade (g/t)	59	67.0	67.0	68.3	75.3	75.3	70.2	60.0	28.2	26.6
Contained Au equivalent ounces	750,335	18,061	81,272	130,864	116,023	116,023	99,182	65,599	68,362	53,948

Annexure A

Independent Expert's Report

SINO GOLD MINING LIMITED
TECHNICAL SPECIALIST'S REPORT



The LOM calls for all the Ore Reserve and for some Inferred Mineral Resource: 701,603 tonnes of Inferred Mineral Resource at 6.5g/t Au and 30.4g/t Ag are included. This is more than half the Inferred Mineral Resource (see Table 24) but, given the location of the Inferred Mineral Resource (see Figure 14) and the continued exploration success at Eastern Dragon in 2009, the inclusion of this material in the LOM is reasonable and this forms the basis for Case 1's production schedule.

The production rates scheduled from the open-cut and from underground are reasonable.

4.4.9 Processing

The Board Feasibility Review predicted a processing plant throughput of 360000 tpa (at maximum rate) at an average grade of 7.9 g/t and a recovery of 95%. Silver is also present at an average grade of 59 g/t.

The intended circuit is crushing, grinding, CIL, cyanide destruction and filtration of tailings.

The metallurgical testing, conducted in China, appears robust. Testing of variability samples did not discover any obvious problems. Outstanding items include the likely silver recovery, which to a large extent will be dictated by economics during processing. A silver recovery of 80% is assumed from the feasibility review.

4.4.10 Capital Costs

Estimates of capital costs were included in the Board Feasibility Review. Insufficient detail was provided to determine how the capital costs were derived. An order of magnitude estimate by M1 approximately confirmed the capital cost of the underground mine, based on the vertical range of the mine.

Given the scale of the proposed operation and acknowledging the expertise and local knowledge behind the Sino Gold estimate, the capital costs are reasonable.

Note that the item BGRIMM Engineering under Owners Costs in the capital costs (see Table 23) is the cost of design work carried out by the Beijing General Research Institute of Mining and Metallurgy.

There is a footnote to the capital costs table (see **Error! Reference source not found.**) which states that an "additional US\$8,000,000 has been committed in 2009 to bring the Sino Gold project share to 95%"; this amount has not been included in the capital costs for the valuation case.

There was an allowance in the Board Feasibility Review for closure and rehabilitation costs of US\$9,000,000; this is listed under Ongoing Capital (see bottom of **Error! Reference source not found.**).

There was no allowance in the Board Feasibility Review for sustaining capital: annual sustaining capital of US\$1,000,000 has been included for the valuation cases from 2012 to 2016.

4.4.11 Operating Costs

The open-cut is to be mined by contractors.

The Board Feasibility review included an open-cut mining cost estimate. The total open-cut operating cost was estimated in the following way:

$$\begin{aligned} &\text{Ore Mining} + \text{Waste Removing} * \text{Strip Ratio} \\ &\text{US\$3.38} + \text{US\$1.30} * 12.5 = \text{US\$19.65} \end{aligned}$$

This estimate was assumed to be in error because it did not take account of the estimated costs of Mining Administration and Grade Control. A corrected estimate of the open-cut mining cost was made in the following way:

$$\text{Ore Mining} + \text{Mining Administration} + \text{Grade Control} + \text{Waste Removing} * \text{Strip Ratio}$$

SINO GOLD MINING LIMITED
TECHNICAL SPECIALIST'S REPORT



$$\text{US\$}3.38 + \text{US\$}1.58 + \text{US\$}0.50 + \text{US\$}1.30 * 12.5 = \text{US\$}21.71$$

This open-cut mining cost per tonne of ore is reasonable.

The underground mine is to be operated by contractors.

The Board Feasibility Review included an underground mining cost estimate, based on mining 30% of ore from development and 70% of ore from benching. The underground mining cost per tonne of ore was US\$20.65 which is in reasonable agreement with mining costs at other Sino Gold mines and is reasonable in a sensible comparison with M1's Australian experience.

The Board Feasibility Review included estimates of fixed and variable milling costs. These estimates were in line with operating costs at Sino Gold's other mines and were used for the valuation cases.

In 2010, the processing plant is expected to run for 90 days only and the fixed cost for 2010 has been proportioned appropriately. Similarly, in 2018, the plant is expected to run for 279 days and, again, the fixed cost for 2018 has been proportioned appropriately.

Sino Gold's operating cost projections included annual administration estimates which varied annually from just over US\$18/tonne of ore in 2010 down to about US\$9/tonne of ore from 2013 onwards. The average of the administration costs in this spreadsheet was US\$10.00/tonne of ore. These administration costs were used for this report.

4.4.12 Potential for Upside

Recent drilling of Lode 5 at Eastern Dragon suggests that there is upside to Eastern Dragon, particularly along strike to the north (refer to Figure 12 and Figure 15), beyond and outside the 0.14 sq km Exploration Licence (EL) discussed in Section 4.4.3. This upside extension of the Eastern Dragon Orebody occurs within the surrounding tenement, EL 53, covering some 53 sq km.

It should be noted that the current tenement status applicable to Case 2 is pending the transfer of title for EL 53 from the Brigade to the Sino Gold – Brigade joint venture. Following completion of the transfer, Sino Gold will hold 60% equity in EL 53.

In summary, Sino Gold currently have no effective equity in EL 53, and thus no equity in the extension of the Eastern Dragon Orebody. The following discussion is premised on the assumption that transfer of title for EL 53 to the Sino Gold – Brigade joint venture has taken place.

Just over half the Inferred Mineral Resource has been included in the valuation Case 1, so, for an estimate of the potential upside at Eastern Dragon, only the strike extension outside the currently defined Inferred Mineral Resource was considered.

The potential mineralisation appears to extend about 120m to the north of the Lode 5 Inferred Mineral Resource boundary (see Figure 15), to a depth of about 110m below surface (see Figure 15), and has an average down-hole thickness of 11.4m (see Table 27) which reduces to a horizontal thickness of about $11.4 * 0.7$ (say) = 8m. These dimensions suggest a potential tonnage of

$$120 * 110 * 8 * 2.7 = 285,000 \text{ tonnes}$$

The length weighted average grades of the intersections in this area are 6.0g/t Au and 35.5g/t Ag (see Table 27). There are sufficient intersections to suggest that there is potential for extension of the Eastern Dragon Lode 5 mineralisation into this area, but more testing will be required to reliably estimate the grade of the potential mineralisation. So, in the following scenario, the Au and Ag grades from the Case 1 production Schedule were assumed for the Case 2 production schedule.

285,000 tonnes at 6.0g/t Au and 35.5g/t Ag is of the order of 10% of the Case 1 production Schedule, so to allow for the potential, Case 1 production schedule was updated to allow for the mining of an extra 10% of material, from open-cut and underground, added on to the end of the schedule.

Allowances were also made for extra capital in Case 2:

Annexure A

Independent Expert's Report

SINO GOLD MINING LIMITED
TECHNICAL SPECIALIST'S REPORT



US\$1,000,000 for Sustaining Capital in both 2017 and 2018

US\$1,100,000 for Mine Construction in 2017 (this is 10% of Case 1 Mine Construction Capital)

US\$500,000 for Tailings Disposal in 2017 (this is 10% of Case 1 Tailings Disposal Capital)

In addition, the Closure Capital was moved to the last year of the new production schedule.

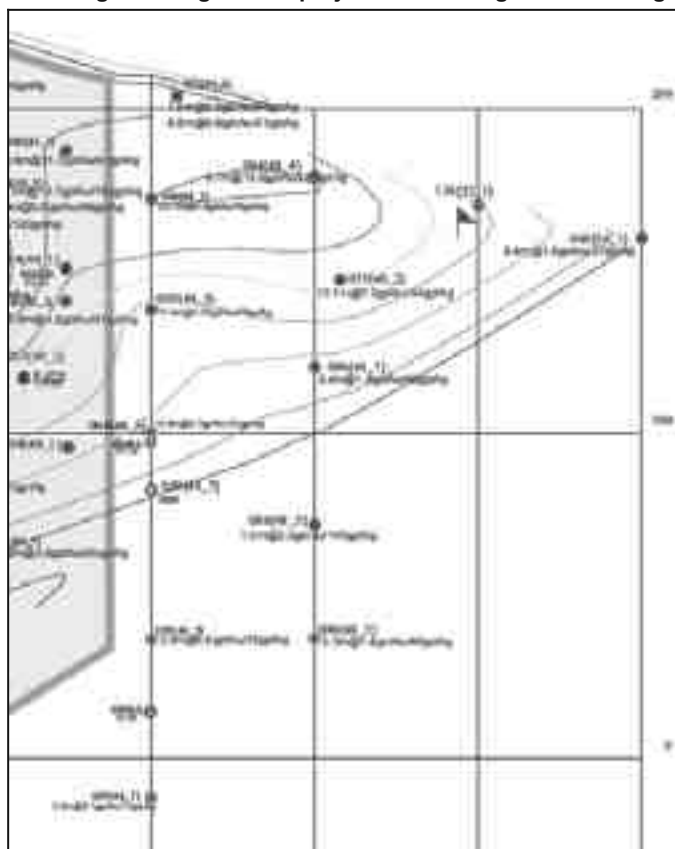
Figure 15 Eastern Dragon – longitudinal projection showing some drilling results



(Source Sino Gold)



Figure 16 Eastern Dragon – longitudinal projection showing recent drilling results



*Refer to Figure 14 to locate this data sensibly; the thick vertical line is the northern end of the Inferred Mineral Resource.
 (Source Sino Gold)*

Annexure A

Independent Expert's Report

SINO GOLD MINING LIMITED
TECHNICAL SPECIALIST'S REPORT



Table 27 Eastern Dragon – Ore grade intersections to the north of the currently defined Inferred Mineral Resource

hole no	down hole	Au grade	Ag grade
	m	g/t	g/t
102	7.6	9.8	94
102	8.8	6.8	21
64	22.7	6.2	33
59	11.4	4.4	29
76	12.4	7.2	44
90	3.4	1.4	46
64	13.8	4.7	12
Averages	11.4	6.0	35.5

(Source Sino Gold)



4.4.13 Summary of Cost Estimates

Table 28 Eastern Dragon operating costs – Case 1

Mining	2010	2011	2012	2013	2014	2015	2016	2017	2018	Total
Underground										
Ore (tonnes)			121,135	360,000	360,000	360,000	360,000	360,000	279,213	2,200,348
Operating cost US\$/t	20.65	20.65	20.65	20.65	20.65	20.65	20.65	20.65	20.65	20.65
Open-cut										
Ore (tonnes)	45,000	202,500	216,365							463,865
Operating cost US\$/t	21.71	21.71	21.71							21.71
Grand Total	976,950	4,396,275	7,198,722	7,434,000	7,434,000	7,434,000	7,434,000	7,434,000	5,765,748	55,507,695

Processing	2010	2011	2012	2013	2014	2015	2016	2017	2018	Total
Ore (tonnes)	45,000	202,500	337,500	360,000	360,000	360,000	360,000	360,000	279,213	2,664,213
Operating cost US\$/t	15.69	15.69	15.69	15.69	15.69	15.69	15.69	15.69	15.69	15.69
Total	1,333,338	5,721,225	7,839,375	8,192,400	8,192,400	8,192,400	8,192,400	8,192,400	6,353,957	62,209,895

Administration	2010	2011	2012	2013	2014	2015	2016	2017	2018	Total
Total	816,658	3,312,000	3,312,000	3,312,000	3,312,000	3,312,000	3,312,000	3,312,000	2,533,571	26,534,229

Table 29 Eastern Dragon capital costs – Case 1

Capital Costs	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Total	7,245,178	56,796,664	9,008,941	5,002,000	6,000,000	1,000,000	1,000,000	1,000,000	1,000,000	9,000,000

Capital Costs	Total
Total	82,052,783

Annexure A

Independent Expert's Report



SINO GOLD MINING LIMITED
TECHNICAL SPECIALIST'S REPORT

Table 30 Eastern Dragon operating costs – Case 2

Mining	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Underground										
Ore (tonnes)			121,135	360,000	360,000	360,000	360,000	360,000	313,614	185,634
Operating cost US\$/t	20.65	20.65	20.65	20.65	20.65	20.65	20.65	20.65	20.65	20.65
Open-cut										
Ore (tonnes)	45,000	202,500	216,365						579,825	
Operating cost US\$/t	21.71	21.71	21.71						21.71	
Grand Total	976,950	4,396,275	7,198,722	7,434,000	7,434,000	7,434,000	7,434,000	7,434,000	7,483,169	3,833,342

Mining	Total
Underground	
Ore (tonnes)	2,420,383
Operating cost US\$/t	20.65
Open-cut	
Ore (tonnes)	510,251
Operating cost US\$/t	21.71
Grand Total	61,058,458



	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Processing										
Ore (tonnes)	45,000	202,500	337,500	360,000	360,000	360,000	360,000	360,000	360,000	185,634
Operating cost US\$/t	15.69	15.69	15.69	15.69	15.69	15.69	15.69	15.69	15.69	15.69
Total	1,333,338	5,721,225	7,839,375	8,192,400	8,192,400	8,192,400	8,192,400	8,192,400	8,192,400	4,224,411

Processing	Total
Ore (tonnes)	2,930,634
Operating cost US\$/t	15.69
Total	68,272,749

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Administration										
Total	816,658	3,312,000	3,312,000	3,312,000	3,312,000	3,312,000	3,312,000	3,312,000	3,312,000	1,707,833

Administration	Total
Total	29,020,490

Table 31 Eastern Dragon capital costs – Case 2

Capital Costs	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Total	7,245,178	56,796,664	9,008,941	5,002,000	6,000,000	1,000,000	1,000,000	1,000,000	2,600,000	1,000,000

Capital Costs	2019	Total
Total	9,000,000	99,652,783

Annexure A

Independent Expert's Report

SINO GOLD MINING LIMITED
TECHNICAL SPECIALIST'S REPORT



4.5 Beyinhar

4.5.1 Introduction and Location

The Beyinhar gold deposit is located in the Inner Mongolia Autonomous Region in northern China (see Figure 17).

Beyinhar is located in an area with hot summers and very cold winters. Sandstorms are common in March and April and there is a freezing period from October to April with a freeze depth of nearly three metres.

The Beyinhar Project is at an advanced exploration stage but no decision to progress with mining the deposit has yet been made. Mineral Resources and Ore Reserves have been reported in accordance with the JORC Code (see Table 32 and Table 33) but no Mining Lease has been granted over the deposit.

This part of the report deals very briefly with the Sino Gold estimate of the NPV of the proposed open-cut mine and heap leach process at Beyinhar. However, it must be borne in mind that, as yet, Sino Gold has not made a decision to proceed with the development of a mine at Beyinhar and that the Beyinhar Project should only be considered as an advanced exploration project.

Figure 17 Beyinhar - location



(Source Sino Gold)

SINO GOLD MINING LIMITED
TECHNICAL SPECIALIST'S REPORT



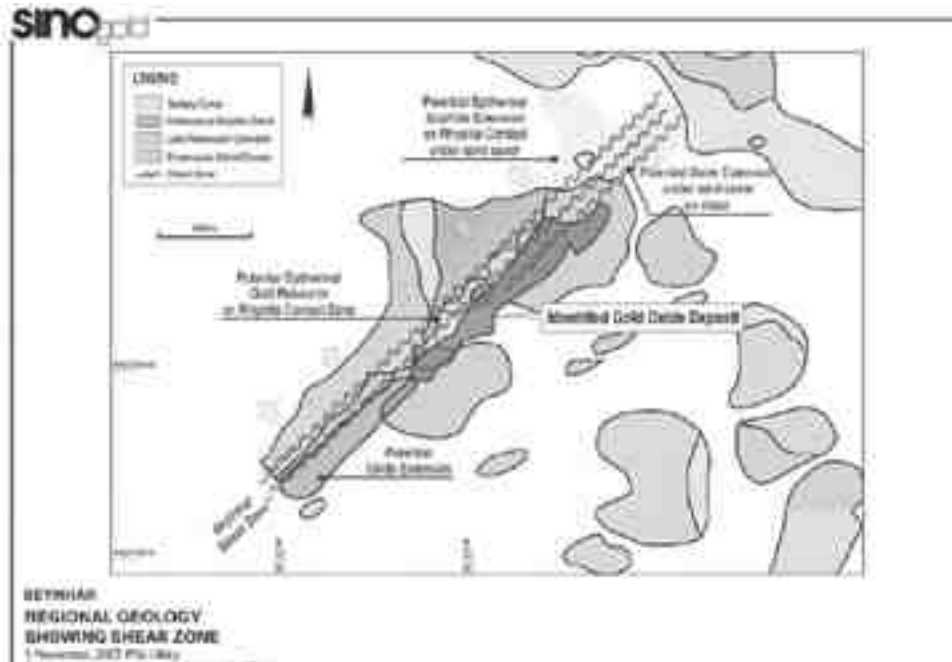
4.5.2 Geological description

The Beyinhar gold deposit is hosted in a sequence of Proterozoic schists near a Carboniferous granite and what are probably Cretaceous volcanic rocks (see Figure 18); the host rock sequence has been sheared and brecciated in part (see Figure 19). Gold occurs within 100m of the contact of the shear with the Cretaceous volcanic rocks.

The shear zones strikes SW-NE and so does the mineralisation (see Figure 18). The gold occurrence is low sulphidation style of epithermal origin. The currently defined gold mineralisation extends for about 2km along strike, has a horizontal thickness of about 100m to 150m and a vertical extent of about 150m to 200m (see Figure 18, Figure 19 and Figure 20). The mineralised zone dips to the NW at 20° to 45°.

The mineralisation has been oxidised near the surface and the bulk of the currently known mineralisation occurs in the oxide zone which extends down to about 125m below surface (see Figure 20).

Figure 18 Beyinhar – geology plan



(Source Sino Gold)

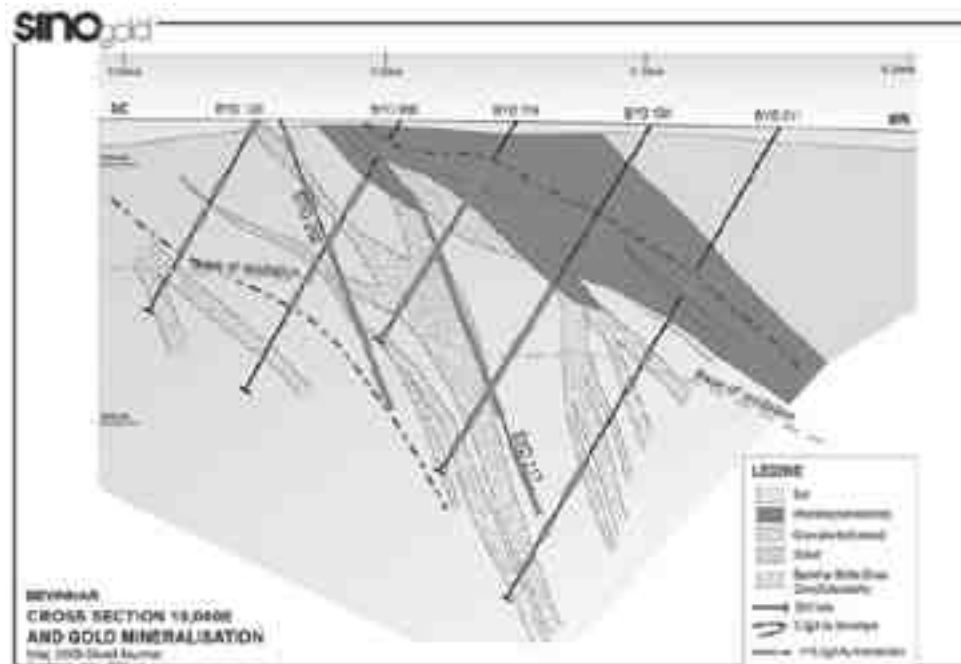
Annexure A

Independent Expert's Report

SINO GOLD MINING LIMITED
 TECHNICAL SPECIALIST'S REPORT



Figure 19 Beyinhar – geological cross-section 10000mE (mine grid)

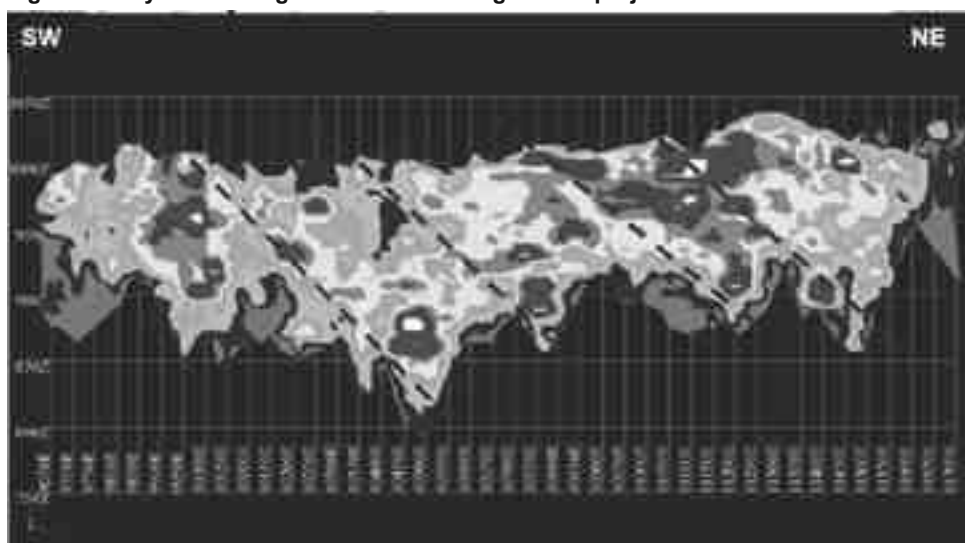


(Source Sino Gold)

SINO GOLD MINING LIMITED
TECHNICAL SPECIALIST'S REPORT



Figure 20 Beyinhar – Au grade*thickness longitudinal projection



*Shades represent gold grade (g/t Au) x mineralisation thickness (m):
light (0 to 5 gm/t), dark (100 to 500gm/t)
(Source Sino Gold)*

4.5.3 Mineral Resources and Ore Reserves

The Beyinhar Mineral Resources and Ore Reserves as at December 2008 were reported in the Sino Gold Annual Report for 2008 in a form complying with the requirements of the JORC code. In addition, Sino Gold prepared a separate report explaining succinctly how the estimates were made and the report addressed the particular requirements of the JORC code.

The Mineral Resources and Ore Reserves are listed in Table 32 and Table 33.

An open-cut has been proposed to mine the Beyinhar deposit.

M1 has not systematically or comprehensively reviewed the block model or the underlying data on which the Mineral Resource estimate was based. The methods used for the Mineral Resource estimate were appropriate for the style of mineralisation at Beyinhar. The Competent Person for the Jinfeng Mineral Resource estimate was Mr. Phillip Uttley (FAusIMM), a full time employee of Sino Gold in the capacity of Chief Geologist. He is a geologist with more than 27 years experience in exploration and evaluation of gold deposits, including the exploration for structurally controlled gold deposits and replacement style gold deposits (Sino Gold Ltd Annual Report 2008).

M1 has not systematically or comprehensively reviewed the open-cut and underground designs on which the Ore Reserve was based. The Competent Person for the Beyinhar Ore Reserve estimate was Mr. Steve Craig (MAusIMM) who is an independent consultant with Oreology and is a mining engineer with more than 20 years experience in evaluation of gold deposits (Sino Gold Annual Report 2008).

Sino Gold's report of Mineral Resources and Ore Reserves conforms with the JORC code, the Mineral Resource and Ore Reserve have been estimated in a reasonable manner and the estimates appear to be reasonably reliable.

Annexure A

Independent Expert's Report

SINO GOLD MINING LIMITED
TECHNICAL SPECIALIST'S REPORT



Table 32 Beyinhar Mineral Resources – 31 December 2008

	Category	Million Tonnes	Grade g/t Au	Gold '000oz
Jinfeng	Measured	18.0	4.8	2,750
Beyinhar	Measured	7.8	0.82	205
	Indicated	53.9	0.49	848
	Sub-Total M+I	61.7	0.53	1,053
	Inferred	7.5	0.75	182
	Total Beyinhar	69.2	0.55	1,235

Note: Measured and Indicated Mineral Resources are inclusive of Ore Reserves.
(Source Sino Gold)

Table 33 Beyinhar Ore Reserves – 31 December 2008

	Category	Million Tonnes	Grade g/t Au	Gold '000oz
Beyinhar	Proved	7.1	0.83	191
	Probable	20.7	0.55	387
	Total Beyinhar	27.8	0.62	558

(Source Sino Gold)

4.5.4 Valuation Analysis

Two tenements adjoin the Beyinhar gold deposit which is currently held under an Exploration Licence while the application for a Mining lease is being processed by the relevant authorities. For the purposes of this valuation, the Beyinhar gold deposit has been valued using the methodology applied to Sino Gold's other exploration assets as well as by analysing the results of the feasibility review completed in 2008 and updated in 2009.

As an exploration asset, the Beyinhar project would be valued at approximately US\$1.4 million based on the valuation used to value Sino Gold's other exploration assets.

M1 has also considered the analysis undertaken as part of the Beyinhar feasibility review, although the results of the feasibility study have not been publicly disclosed as they are considered commercially sensitive. The Sino Gold feasibility review for Beyinhar included a risk assessment for the proposed Beyinhar project. M1 has reviewed the risk assessment and in M1's view there are two key technical risks associated with developing a mine at Beyinhar:

- Mining of low grade ore, with a target production grade of about 0.6g/t Au is difficult; and
- Creating and maintaining efficient leaching through large leach pads is not easy, consequently, it may not be practically possible to achieve the target gold recovery from the leach pads.

Given the nature of the project, it is very sensitive to relatively small changes in grade and processing recovery. For example, a decrease in mine grade or leaching recovery leading to a combined decrease in the recovered gold per tonne of ore processed of the order of 10% would decrease the NPV of the project to US\$13M.

Overall, M1 has valued Beyinhar in the range US\$1-13 million.



5 EXPLORATION PROJECTS

5.1 Introduction

Sino Gold has exploration projects in several parts of China, extending from the south around the Jinfeng Mine, to the west, the north and the north east including areas around the White Mountain Mine and Eastern Dragon Project.

Numerous exploration licences ("EL") are held with varying degrees of ownership by Sino Gold, of which some ten are considered by Sino Gold geoscientific staff as having any value.

The strategic alliance between Sino Gold and Gold Fields Limited is no longer in existence, a factor likely to impact the Jinshu project in western China.

5.2 Prospective Project Locations

5.2.1 Northern China – Eastern Dragon district

Heilongjiang Project - Heilongjiang Province

- Eastern Dragon EL 53

5.2.2 North Eastern China - White Mountain district

Jilin Project – Jilin Province

- Bianmiaozhi (WM SW F100) EL
- Dongdapo EL
- Lengjiagou (Xiaoshiren SW) EL

Liaoning Project – Liaoning Province

- Caijiagou EL

5.2.3 Western China

Jinshanjia JV Project – Yunnan Province

- Bengge (Jinshu) EL

5.2.4 Southern China - Jinfeng district

Jinlou JV Project – Guixhou Province

- Dago-Naxi EL

Guangxi JV Project – Guangxi and Guixhou Provinces

- Yandan EL

5.3 Valuation Strategies

5.3.1 Introduction

Mineral assets are defined in the VALMIN Code as occurring in one or more of the following categories:

- Exploration Areas – properties where mineralisation may or may not have been identified, but where Mineral Resources have not been identified.

Annexure A

Independent Expert's Report

SINO GOLD MINING LIMITED
TECHNICAL SPECIALIST'S REPORT



- Advanced Exploration Areas – properties where sufficient exploration has occurred to enable a good understanding of the type of mineralisation present, and for which the untested potential still warrants extra work. A Mineral Resource may or may not have been identified / estimated.
- Pre-Development Projects – properties where Mineral Resources have been identified, but where a decision to proceed with development has not been made.
- Development Projects – properties for which a decision to proceed with production has been made, but have not yet been commissioned.
- Operating Mines – properties with fully commissioned and operating mines.

5.3.2 Classifications

The Jinshu deposit is considered to be an Advanced Exploration Area, while the Dongdapo and Caijiagou deposits appear transitional between Advanced Exploration areas and Exploration areas.

All other tenements are considered to be Exploration Areas.

5.3.3 Methodology

The value of the various exploration tenements was assessed by a combination of the following:

- Actual Transaction Method – using both actual and estimated transactions between Sino Gold and various local Brigades. These values generally comprise the minimum value for a given property.
- Rating Method (Modified Kilburn Method as described in Goulevitch and Eupene, 1994 and Lawrence, 1994) - using a basic acquisition cost of the minimum expenditure requirements of RMB10,000 per sq km, adjusted by various factors #.
- Potential Value using the Yardstick method of the in situ resource at the Jinshu deposit.

These factors comprise *equity*, *proximity* and *intrinsic attributes*. The Equity Factor refers to the actual equity held by Sino Gold in a given property. The Proximity Factors relate to the presence of mineralisation and geophysical/geochemical targets on adjacent properties. The Intrinsic Factors relate to the presence of any mineralisation, geophysical/geochemical targets and geological patterns present in a given property.

5.4 Results

5.4.1 Eastern Dragon EL 53

The majority of the “upfront money” paid for this tenement has been taken into account in Case 2 described in section 4.4.12 “Potential for Upside”, which addressed the continuation of the Eastern Dragon deposit to the north, in to the surrounding EL 53. It has been assumed here that only 1% of the upfront payment will apply to the balance (i.e. excluding the northern continuation of the Eastern Dragon orebody), of EL 53.

It should be noted that the current tenement status applicable to the entire area of EL 53 is pending the transfer of title for EL 53 from the Brigade to the Sino Gold – Brigade joint venture. Following completion of the transfer, Sino Gold will hold 60% equity in EL 53.

In summary, Sino Gold currently have no effective equity in EL 53, and thus no equity in the exploration area outside the Eastern Dragon Orebody. The valuation exercise has been premised on the assumption that transfer of title for EL 53 to the Sino Gold – Brigade joint venture has taken place.

Proximity to a mine, actual gold mineralisation along with favourable geophysical, geochemical targets and geological patterns render the tenement prospective for further discoveries of gold mineralisation.

The value of this tenement is estimated to be in the range US\$0.18M – 1.96M.

SINO GOLD MINING LIMITED
TECHNICAL SPECIALIST'S REPORT



5.4.2 Banmiaozi (White Mountain SW F100)

Similarly to the situation on the Eastern Dragon tenement, the extensions down plunge to the White Mountain Orebody have been addressed in Case 2 for that deposit. Consequently, it has been assumed that the bulk of the "upfront money" paid for this tenement has been used in the Case 2 described in 4.3.9 Life of Mine Plan, 4.3.11 Operating Costs and 4.3.12 Capital Costs

The upfront money paid for this tenement was estimated by taking the average of other undeveloped gold deposits in the White Mountain district, namely Dongdapo, Xiaoshiren SW and Caijiagou.

Proximity to a mine, actual gold mineralisation along with favourable geophysical, geochemical targets and geological patterns render the tenement prospective for further discoveries of gold mineralisation.

The value of this tenement is estimated to be in the range US\$0.37M – 3.78M.

5.4.3 Dongdapo

Dongdapo is situated close to the White Mountain Mine, and has been exposed in three cross cuts underground. The style of gold mineralisation (geological pattern) is similar to that at White Mountain and the proximity to that mine, along with actual gold mineralisation and favourable geophysical, geochemical targets elsewhere in the tenement make it most prospective for further discoveries of gold mineralisation.

The value of this tenement is estimated to be in the range US\$1.40M – 1.48M.

5.4.4 Xiaoshiren SW

Whilst this tenement is within trucking distance of the White Mountain Mine, the style of mineralisation appears different. Skarn hosted gold and poly-metallic mineralisation is known in the district, and anomalous float samples suggest that Xiaoshiren SW may contain intrusive-related gold mineralisation. The source of the float material has not been located.

Overall the tenement currently has average mineralisation attributes. Further exploration may locate the source of the float materials. The value of this tenement is estimated to be in the range US\$0.03M – 0.04M.

5.4.5 Caijiagou

This property is centred on a small open-cut gold mine and treatment plant currently being evaluated by Sino Gold. Consequently, it is inferred to have favourable geophysical, geochemical targets and geological patterns.

Whilst this property is within the Hebei-Liaoning metallogenic belt, the nearest mine is some 50km distant. At this early stage, the tenement appears to have average-good mineralisation attributes, and is prospective for further discoveries of gold mineralisation.

The value of this tenement is estimated to be in the range US\$0.03M – 0.30M.

5.4.6 Jinshu

Exploration by the Sino Gold-Goldfields Alliance on this property has enabled the estimation of some 165,000 ounces of gold in a deposit grading 5.4gAu/t. The property is located in the world class Tethyan metallogenic belt, and appears to be a copper-poor gold deposit within the general class of porphyry style deposits.

Whilst the resource does not comply with the JORC guidelines, it was decided to use the in situ value method of valuation given the amount of drilling completed in conjunction with the style of mineralisation.

Mining One has derived NPV values (using US\$850/oz gold price and 10% discount), for the Eastern Dragon and White Mountain deposits, and these values divided by the forecast recovered gold, suggests in situ values of

Annexure A

Independent Expert's Report

SINO GOLD MINING LIMITED
TECHNICAL SPECIALIST'S REPORT



US\$275/oz and US\$97/oz respectively. However, these mines are both remote from Jinshu in Yunnan Province, and are not porphyry style, so that an in situ value of US\$50/oz was used to derive a magnitudinal value for Jinshu.

The presence of significant gold mineralisation, along with favourable geophysical, geochemical targets and geological patterns render this property most prospective for further discoveries of gold mineralisation.

The value of this tenement is estimated to be in the range US\$0.31M – 8.30M.

5.4.7 Dagou - Naxi

This property has been downgraded by recent exploration, but any gold deposits discovered remain within trucking distance from the Jinfeng mine.

Whilst the tenement is in the Jinfeng district, overall it currently has only poor to average mineralisation attributes. Despite this, the high equity along with the proximity to Jinfeng make the property strategically important and Sino Gold are likely to farm-out the project.

The value of this tenement is estimated to be in the range US\$0.44M – 1.28M.

5.4.8 Yandan

Yandan is potentially within trucking distance of Jinfeng, but it situated in a different province, and not without transport problems. Exploration to date has defined a small resource of about 200,000 oz's of gold, but at a low grade unsuited to underground mining.

Although further work may extend or improve the identified gold mineralisation, it currently has average to poor mineralisation attributes.

The value of this tenement is estimated to be in the range US\$0.05M – 0.07M.

5.5 Summary

The preferred range of values for the most prospective exploration tenements is from US\$2.62M – US\$15.26M

SINO GOLD MINING LIMITED
TECHNICAL SPECIALIST'S REPORT



6 REFERENCES

Goulevtch, J. & Eupene G.S., 1994: Geoscience rating for Valuation of Exploration Properties – Applicability of the Kilburn Method in Australia and Examples of its Use. Mineral Valuation Methodologies Conference 1994; AusIMM

Ilchik, R.P, Utley, P.J., Corben, R., Zhang, A.Y., Ham, A. and Hodkiewicz, P., 2005: The Jinfeng gold deposit: mining the new frontier in China in Rhoden, H.N., Steininger, R.C. and Vikre, P.G., eds., Geological Society of Nevada Symposium 2005: Window to the World, Reno, Nevada, May 2005.

Lawrence, M.J., 1994: An Overview of valuation methods for Exploration Properties. Mineral Valuation Methodologies Conference 1994; AusIMM

Annexure A

Independent Expert's Report

SINO GOLD MINING LIMITED
TECHNICAL SPECIALIST'S REPORT



7 APPENDICES

Appendix A

M1 Capability Statement

SINO GOLD MINING LIMITED
TECHNICAL SPECIALIST'S REPORT



Appendix A

M1 Capability Statement

Annexure A

Independent Expert's Report



Melbourne	Perth	Adelaide	Darwin
T: +61 3 9600 3588	T: +61 8 9485 1444	T: +61 8 8231 7733	T: +61 4 09 203 376
http://www.miningone.com.au			

MINING Services

About Us

Mining One is an exciting team of highly experienced professional mining, mine geotechnical and geological consultants offering excellence in service and commitment to their clients with high level strategic, hands on practical design and implementation.

Our well respected team has extensive industry knowledge and experience in a diverse range of disciplines.

Our safe, cost-effective and problem solving solutions help reduce mine operating costs, increase productivity and maximise economic extraction. This positions our clients for increased long-term profitability.

Mining

- Conceptual, scoping, pre-feasibility and feasibility studies
- Due diligence examinations
- Underground mine planning, design and scheduling
- Open-cut mine optimisation, design and scheduling
- Mining method and equipment selection
- Mine pumping, ventilation and backfill design
- Mine management services and secondments
- Risk assessments
- Audits and reviews – safety, insurance and costs
- Contract documentation, supervision and auditing
- Tender evaluations
- Expert witness testimonies
- Notice of intent – work plans
- Operator training



Photos 1,2 & 3 compliments of Newmont photo library

Mining Geotechnical

- Conceptual, scoping, pre-feasibility and feasibility studies
- Pit slope stability analysis and design, including numerical stress modelling
- Ground support design for slopes, shafts and tunnels
- Shotcrete implementation, recommendations and reviews
- Excavation monitoring design using state-of-the-art systems
- Pillar-size and stable stope span designs
- Prediction of ground behaviour and optimum mining geometries using computer modelling techniques
- Stress measurements
- Geotechnical reviews and audits
- Stability assessment of natural slopes and waste dumps
- Ground awareness and geotechnical hazards training
- Geotechnical data collection training

ISO9001:2000 Accreditation application pending

Geology

- Conceptual, scoping, pre-feasibility and feasibility studies
- Structural geology, exploration and mapping
- Resource and reserve estimation and audits
- Drilling and exploration contracts – contract preparation, management and field supervision
- Exploration program management
- Geological logging and database preparation
- Assessment and valuation of tenements

Civil Geotechnical

- Mining One offers a comprehensive range of civil and mining infrastructure geotechnical services including: field investigations and testing, foundation investigations, dams, tunnels and tailings storage facilities, natural slope hazard assessment and groundwater investigations.

- For further information, see Mining One's civil brochure

For more information please contact

Melbourne - Mr Gary Davison 0419 360 747 Mr Kevin Dugan 0437 887 727 Mr Bill Frazer 0418 912 278
 Adelaide - Mr Mark Van Leuven 0400 911 254 Mr Mark Bailey 0417 812 800
 Perth - Mr Tim Moran 0417 936 533 Darwin - Mr Duncan Griffin 0409 203 376

SINO GOLD MINING LIMITED
 TECHNICAL SPECIALIST'S REPORT

DOCUMENT INFORMATION

Status Final
Version V1
Print Date October 2009
Author(s) G Davison, M McKeown
Reviewed By B Frazer
Pathname P:\1363_M Grant Samuel Sino Tech Evaluation\WPO\2041.doc
File Name 2041.doc
Job No 1363_M
Distribution PDF emailed to client

DOCUMENT CHANGE CONTROL

Version	Description of changes/amendments	Author (s)	Date
			99/99/99

DOCUMENT REVIEW AND SIGN OFF

Version	Reviewer	Position	Signature	Date
V1	B. Frazer	Manager Mining		10/09

Annexure – Investigating Accountant's Report

B

**KPMG Transaction Services (Australia) Pty Limited**

Australian Financial Services Licence No. 245402
10 Shelley Street
Sydney NSW 2000

P O Box H67
Australia Square 1213
Australia

ABN: 65 003 891 718
Telephone: +61 2 9335 7000
Facsimile: +61 2 9335 7001
DX: 1056 Sydney
www.kpmg.com.au

The Directors
Eldorado Gold Corporation
1188 - 550 Burrard Street
Bentall 5
Vancouver, BC
Canada V6C 2B5

26 October 2009

Dear Directors

Investigating Accountant's Report and Financial Services Guide**Investigating Accountant's Report****Introduction**

KPMG Transaction Services (Australia) Pty Limited ("KPMG Transaction Services") has been engaged by Eldorado Gold Corporation ("Eldorado") to prepare this report for inclusion in the Scheme Booklet dated 26 October 2009 ("Scheme Booklet") to be issued by Sino Gold Mining Limited ("Sino Gold") in connection with Eldorado's proposed acquisition of Sino Gold.

Expressions defined in the Scheme Booklet have the same meaning in this report.

Financial Information***Eldorado Historical Financial Information***

The summary historical financial information of Eldorado, as set out in section 4.11 of the Scheme Booklet, comprises:

- the consolidated income statements of Eldorado for the two years ended 31 December 2007 and 31 December 2008, and for the six months ended 30 June 2009;
- the consolidated statements of cash flows of Eldorado for the two years ended 31 December 2007 and 31 December 2008, and for the six months ended 30 June 2009; and
- the consolidated balance sheets of Eldorado as at 31 December 2008 and 30 June 2009 (together, the "Eldorado Historical Financial Information").

Annexure B

Investigating Accountant's Report



Eldorado Gold Corporation
Investigating Accountants Report and Financial Services Guide
26 October 2009

The Eldorado Historical Financial Information has been extracted from the audited consolidated financial statements of Eldorado for the two years ended 31 December 2007 and 31 December 2008, and the unaudited interim consolidated financial statements of Eldorado for the six months ended 30 June 2009. These financial statements were prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP").

The financial statements of Eldorado for the two years ended 31 December 2007 and 31 December 2008 were audited by Eldorado's external auditor in accordance with Canadian generally accepted auditing standards. The independent auditor's opinion issued to the members of Eldorado relating to those financial statements was unqualified.

The financial statements of Eldorado for the six months ended 30 June 2009 were reviewed by KPMG LLP, a Canadian partnership and member firm of KPMG, in accordance with Canadian generally accepted auditing standards applicable to review engagements. KPMG's review report to the directors of Eldorado relating to those financial statements was unqualified.

The Eldorado Historical Financial Information is presented in an abbreviated form insofar as it does not include all of the disclosures required by Canadian GAAP applicable to annual financial reports prepared by reporting issuers in Canada.

The directors of Eldorado are responsible for the preparation and presentation of the Eldorado Historical Financial Information.

Sino Gold Historical Financial Information

The summary historical financial information of Sino Gold, as set out in section 5.3 of the Scheme Booklet, comprises:

- the consolidated income statements of Sino Gold for the two years ended 31 December 2007 and 31 December 2008, and for the six months ended 30 June 2009;
- the consolidated statements of cash flows of Sino Gold for the two years ended 31 December 2007 and 31 December 2008, and for the six months ended 30 June 2009; and
- the consolidated balance sheets of Sino Gold as at 31 December 2008 and 30 June 2009 (together, the "Sino Gold Historical Financial Information").



*Eldorado Gold Corporation
Investigating Accountants Report and Financial Services Guide
26 October 2009*

The Sino Gold Historical Financial Information has been extracted from:

- the audited consolidated financial statements of Sino Gold for the two years ended 31 December 2007 and 31 December 2008 which have been prepared in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations); and
- the reviewed consolidated financial statements of Sino Gold for the half-year ended 30 June 2009 which have been prepared in accordance with AASB 134 *Interim Financial Reporting*.

The financial statements of Sino Gold for the two years year ended 31 December 2007 and 31 December 2008 were audited by Sino Gold's external auditor in accordance with Australian Auditing Standards. The independent auditor's opinions issued to the members of Sino Gold relating to those financial statements were unqualified.

The financial statements of Sino Gold for the half-year ended 30 June 2009 were reviewed by Sino Gold's external auditor in accordance with Australian Auditing Standards applicable to review engagements. The independent auditor's review report to the members of Sino Gold relating to those financial statements was unqualified.

The Sino Gold Historical Financial Information is presented in an abbreviated form insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to financial reports prepared in accordance with the Corporations Act 2001 ("Corporations Act").

Combined Group Pro Forma Historical Financial Information

The pro forma historical financial information of the Combined Group, as set out in section 5.3 of the Scheme Booklet, comprises:

- the unaudited pro forma balance sheet of Eldorado as at 30 June 2009; and
- the unaudited pro forma income statements of Eldorado for the year ended 31 December 2008 and the six months ended 30 June 2009 (together, the "Combined Group Pro Forma Historical Financial Information").

The Combined Group Pro Forma Historical Financial Information has been derived from the Eldorado Historical Financial Information and the Sino Gold Historical Financial Information, after adjusting for the Pro Forma Adjustments defined in section 5.3 of the Scheme Booklet.

The Pro Forma Adjustments have been prepared by Eldorado on the basis set out in section 5.3 of the Scheme Booklet and in accordance with the measurement and recognition principles of Canadian GAAP.

Annexure B

Investigating Accountant's Report



*Eldorado Gold Corporation
Investigating Accountants Report and Financial Services Guide
26 October 2009*

The Combined Group Pro Forma Historical Financial Information is presented in an abbreviated form insofar as it does not include all the disclosures required by Canadian GAAP applicable to annual financial reports prepared by reporting issuers in Canada, or by Australian Accounting Standards applicable to annual financial reports prepared in accordance with the Corporations Act 2001.

Scope

KPMG Transaction Services has been requested to prepare a report covering the Combined Group Pro Forma Historical Financial Information disclosed in the Scheme Booklet.

Review of compilation of the Combined Group Pro Forma Historical Financial Information

For the purposes of preparing this report, we have reviewed the compilation of the Combined Group Pro Forma Historical Financial Information in order to state whether, on the basis of the procedures described, anything has come to our attention that would cause us to believe that the Combined Group Pro Forma Historical Financial Information has not been properly compiled on the basis of:

- the Eldorado Historical Financial Information;
- the Sino Gold Historical Financial Information; and
- the Pro Forma Adjustments.

We have conducted our review in accordance with Standard on Review Engagements ASRE 2405 *Review of Historical Financial Information Other than a Financial Report*. We made such enquiries and performed such procedures as we, in our professional judgement, considered reasonable in the circumstances, including:

- consideration of work papers, accounting records and other documents, including those dealing with the extraction of the Eldorado Historical Financial Information from the audited consolidated financial statements of Eldorado for the year ended 31 December 2008 and unaudited interim consolidated financial statements of Eldorado for the six months ended 30 June 2009, and those dealing with the extraction of the Sino Gold Historical Financial Information from the audited consolidated financial statements of Sino Gold for the year ended 31 December 2008 and the reviewed consolidated financial statements of Sino Gold for the half-year ended 30 June 2009;
- consideration of the Pro Forma Adjustments; and
- enquiry of Eldorado and Sino Gold directors, management and others.



*Eldorado Gold Corporation
Investigating Accountants Report and Financial Services Guide
26 October 2009*

Our review of the compilation of the Combined Group Pro Forma Historical Financial Information is substantially less in scope than an audit examination conducted in accordance with Australian Auditing Standards. A review of this nature provides less assurance than an audit. We have not performed an audit and we do not express an audit opinion on the compilation of the Combined Group Pro Forma Historical Financial Information.

With the exception of our 'Review of Pro Forma Adjustments' (outlined below), we do not express any opinion, or make any statement of negative assurance, as to whether the Combined Group Pro Forma Historical Financial Information is prepared, in all material respects, in accordance with the recognition and measurement principles prescribed by Canadian GAAP or Australian Accounting Standards, and accounting policies adopted by Eldorado and disclosed in the Scheme Booklet.

Review of Pro Forma Adjustments

For the purposes of preparing this report, we have reviewed the Pro Forma Adjustments in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the Pro Forma Adjustments are not prepared, in all material respects:

- on the basis of the pro forma transactions and/or adjustments described in section 5.3 of the Scheme Booklet; or
- in accordance with the recognition and measurement principles prescribed by Canadian GAAP, and accounting policies adopted by Eldorado.

We have conducted our review in accordance with Standard on Review Engagements ASRE 2405 *Review of Historical Financial Information Other than a Financial Report*. We made such enquiries and performed such procedures as we, in our professional judgement, considered reasonable in the circumstances, including:

- a review of Sino Gold's work papers, accounting records and other documents;
- analytical procedures on the Sino Gold Historical Financial Information and the Pro Forma Adjustments;
- a review of the assumptions and work papers, accounting records and other documents used to compile the Pro Forma Adjustments;
- a comparison of consistency in application of the recognition and measurement principles prescribed by Canadian GAAP and the accounting policies adopted by Eldorado and disclosed in the proposed Scheme Booklet; and

Annexure B

Investigating Accountant's Report



*Eldorado Gold Corporation
Investigating Accountants Report and Financial Services Guide
26 October 2009*

- enquiry of Eldorado and Sino Gold directors, management and others in relation to the Pro Forma Adjustments.

The procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Directors' responsibilities

The directors of Eldorado are responsible for the preparation and presentation of:

- the Eldorado Historical Financial Information; and
- the Combined Group Pro Forma Historical Financial Information, including the determination of the Pro Forma Adjustments.

The directors of Sino Gold are responsible for the preparation and presentation of the Sino Gold Historical Financial Information.

Together, the Eldorado and Sino Gold directors' responsibilities include establishing and maintaining internal controls relevant to the preparation of the financial information in the Scheme Booklet that is free from material misstatement, whether due to fraud or error.

Review Statements

Review statement on the compilation of the Combined Group Pro Forma Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Combined Group Pro Forma Historical Financial Information, as set out in section 5.3 of the Scheme Booklet, has not been compiled on the basis of:

- the Eldorado Historical Financial Information;
- the Sino Gold Historical Financial Information; and
- the Pro Forma Adjustments.



*Eldorado Gold Corporation
Investigating Accountants Report and Financial Services Guide
26 October 2009*

We have not audited or reviewed the Eldorado Historical Financial Information or the Sino Gold Historical Financial Information. With the exception of our 'Review statement on Pro Forma Adjustments', we do not express any opinion, or make any statement of negative assurance, as to whether the Combined Group Pro Forma Historical Financial Information is prepared, in all material respects, in accordance with the recognition and measurement principles prescribed by Canadian generally accepted accounting principles ("Canadian GAAP") or Australian Accounting Standards, and accounting policies adopted by Eldorado and disclosed in the Scheme Booklet.

Review statement on Pro Forma Adjustments

Based on our review, which is not an audit, nothing has come to our attention which causes us to believe that the Pro Forma Adjustments, which are set out in section 5.3 of the Scheme Booklet, are not prepared, in all material respects, on the basis described therein, or in accordance with the recognition and measurement principles prescribed by Canadian GAAP, and accounting policies adopted by Eldorado.

Jurisdictions outside Australia

Our review has not been carried out in accordance with auditing or other standards and practices generally accepted in jurisdictions outside Australia, including Canada, the United States or Hong Kong. Accordingly, our review should not be relied upon as if it had been carried out in accordance with those standards and practices.

Independence

KPMG Transaction Services does not have any interest in the outcome of the proposed scheme of arrangement, other than in connection with the preparation of this report for which normal professional fees will be received.

General advice warning

This report has been prepared, and included in the Scheme Booklet, to provide investors with general information only and does not take into account the objectives, financial situation or needs of any specific investor. It is not intended to take the place of professional advice and investors should not make specific investment decisions in reliance on the information contained in this report. Before acting or relying on any information, an investor should consider whether it is appropriate for their circumstances having regard to their objectives, financial situation or needs.

Annexure B

Investigating Accountant's Report



Eldorado Gold Corporation
Investigating Accountants Report and Financial Services Guide
26 October 2009

KPMG Transaction Services has consented to the inclusion of this Investigating Accountant's Report in the Scheme Booklet in the form and context in which it is so included, but has not authorised the issue of the Scheme Booklet. Accordingly, KPMG Transaction Services makes no representation regarding, and takes no responsibility for, any other statements, or material in, or omissions from, the Scheme Booklet.

Yours faithfully

A handwritten signature in black ink, appearing to read 'NB Harridge', written in a cursive style.

NB Harridge
Director



Financial Services Guide

Dated 26 October 2009

KPMG Transaction Services

KPMG Transaction Services (Australia) Pty Limited ABN 65 003 891 718 (“KPMG Transaction Services” or “we” or “us” or “ours” as appropriate) holds an Australian Financial Services Licence (“AFSL”) issued by the Australian Securities and Investment Commission on 11 March 2004. Our AFSL number is 245402.

We have been engaged by Eldorado Gold Corporation (“Eldorado”) to issue general financial product advice, about Eldorado’s financial products, in the form of an Investigating Accountant’s Report to be provided to you. We are required to include this FSG in our Report because we have authorised the product issuer to include our Investigating Accountant’s Report in the Scheme Booklet for Eldorado’s financial products.

Purpose of the FSG

The purpose of this FSG is to:

- **help you decide whether to consider the Investigating Accountant's Report;**
- **contain information about remuneration to be paid to us in relation to the Investigating Accountant's Report;**
- **contain information on the financial services we are authorised to provide under our AFSL; and**
- **contain information on how you can complain against us.**

Financial services we are licensed to provide

Our AFSL authorises us to provide financial product advice in relation to interests in managed investment schemes (excluding investor directed portfolio services) and securities (such as shares and debentures) to wholesale and retail clients.

General Financial Product Advice

In the Investigating Accountant's Report, we provide general financial product advice, not personal financial product advice. It has been prepared without taking into account your personal objectives, financial situation or needs. You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on any advice contained in the Investigating Accountant's Report.

Annexure B

Investigating Accountant's Report



*Investigating Accountant's Report and Financial
Services Guide
26 October 2009*

Fees, commissions and other benefits

We charge fees for providing reports. These fees are agreed with, and paid by Eldorado. Fees are agreed on either a fixed fee or a time cost basis. In this instance, Eldorado has agreed to pay us approximately \$650,000 for providing the Investigating Accountant's Report.

Except for the fees referred to above, neither KPMG Transaction Services, nor its representative, or any of its employees, involved in the provision of the report, receive any pecuniary or other benefits, directly or indirectly, for or in connection with, the provision of the Investigating Accountant's Report.

All our employees receive a salary and our directors or employees may receive partnership distributions from KPMG or bonuses based on overall productivity, but not directly in connection with any engagement for the provision of a report.

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

Associations and relationships

Through a variety of corporate and trust structures, KPMG Transaction Services is ultimately wholly owned by, and operates as part of, KPMG's Australian professional advisory and accounting practice. Our directors may be partners in KPMG's Australian partnership. From time to time KPMG Transaction Services or KPMG and/or KPMG related entities may provide professional services, including audit, tax and financial advisory services, to financial product issuers in the ordinary course of its business.

Complaints

If you have a complaint, please raise it with us. All complaints must be in writing, addressed to The Complaints Officer, KPMG Transaction Services, PO Box H67, Australia Square, Sydney NSW 1213. When we receive a written complaint we will record the complaint, acknowledge receipt of the complaint within 15 days and investigate the issues raised. As soon as practical, and not more than 45 days after receiving the written complaint, we will advise the complainant in writing of our determination.

If you are not satisfied with the outcome of the above process, or our determination, you have the right to refer the matter to the Financial Ombudsman Service Limited ("FOS"). FOS is an independent company that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial services industry. Further details about FOS are available at the FOS website: www.fos.org.au. FOS can also be contacted by telephone on 1300 78 08 08.

Contact details

You may contact us using the details set out at the top of our letterhead on page 1 of this FSG.

Annexure – Scheme Implementation Deed



Annexure C

Scheme Implementation Deed

Deed

Scheme Implementation Deed

Eldorado Gold Corporation

Sino Gold Mining Limited

tony.damian@freehills.com

Freehills

MLC Centre Martin Place Sydney NSW 2000 Australia
GPO Box 4227 Sydney NSW 2001 Australia
Sydney Melbourne Perth Brisbane Singapore

Telephone +61 2 9225 5000 Facsimile +61 2 9322 4000
www.freehills.com DX 361 Sydney
Correspondent offices in Hanoi Ho Chi Minh City Jakarta

Freehills

Contents

Table of contents

	The Deed	1
	Operative part	2
1	Definitions and interpretation	2
	1.1 Definitions	2
	1.2 Interpretation.....	16
	1.3 Business Day	17
	1.4 Contra proferentem excluded	17
2	Agreement to proceed with the Transaction	17
3	Conditions precedent and pre-implementation steps	18
	3.1 Conditions precedent	18
	3.2 Reasonable endeavours.....	19
	3.3 Waiver of conditions precedent.....	20
	3.4 Termination on failure of condition precedent.....	21
	3.5 Certain notices	22
4	Transaction steps	22
	4.1 Scheme	22
	4.2 No amendment to the Scheme without consent	22
	4.3 Scheme Consideration	22
	4.4 Ineligible Foreign Shareholders	23
	4.5 Shares to rank equally.....	23
	4.6 Option Scheme	24
	4.7 No amendment to the Option Scheme without consent.....	24
	4.8 Option Consideration.....	24
	4.9 ASX Waiver	25
	4.10 Ineligible Foreign Optionholders	25
5	Implementation	25
	5.1 Sino Gold's obligations	25
	5.2 Eldorado's obligations	28
	5.3 Conduct of business.....	29
	5.4 Appointment of directors.....	31
	5.5 Sino Gold Board recommendation.....	31
	5.6 Conduct of Court proceedings	32
	5.7 Use of Sino Gold Information.....	32
	5.8 Responsibility statement.....	33

Annexure C

Scheme Implementation Deed

Freehills

Contents

6	Integration	33
7	Representations and warranties	34
	7.1 Eldorado's representations and warranties	34
	7.2 Eldorado's indemnity	34
	7.3 Qualifications on Eldorado Warranties	34
	7.4 Sino Gold's representations and warranties	34
	7.5 Sino Gold's indemnity	34
	7.6 Qualifications on Sino Gold Warranties	34
	7.7 Survival of representations	35
	7.8 Survival of indemnities	35
	7.9 Timing of representation and warranties	35
8	Releases	35
	8.1 Sino Gold directors and officers	35
	8.2 Eldorado directors and officers	36
9	Public announcement	36
	9.1 Announcement of transaction	36
	9.2 Public announcements	36
	9.3 Required disclosure	36
10	Confidentiality	37
11	Exclusivity	37
	11.1 No-talk	37
	11.2 No-shop	37
	11.3 Limitation to No-talk	37
	11.4 Notification of approaches	38
	11.5 Response to a Third Party Transaction	39
	11.6 Compliance with law	39
	11.7 Warranty and representation	39
12	Reimbursement Fees	40
	12.1 Background to Sino Gold Reimbursement Fee	40
	12.2 Payment of the Sino Gold Reimbursement Fee	40
	12.3 Eldorado written demand	41
	12.4 Nature of payment	41
	12.5 Compliance with law	41
	12.6 Other claims	42
	12.7 Background to Eldorado Reimbursement Fee	42
	12.8 Payment of the Eldorado Reimbursement Fee	42
	12.9 Sino Gold written demand	42
	12.10 Nature of payment	43
	12.11 Compliance with law	43
	12.12 Other claims	43
13	Termination	44
	13.1 Termination	44
	13.2 Breach of representations and warranties	44
	13.3 Effect of termination	45
	13.4 Termination	45
	13.5 Terminable in writing	45

Freehills

Contents

14	Duty, costs and expenses	46
	14.1 Stamp duty.....	46
	14.2 Costs and expenses.....	46
15	GST	46
16	General	47
	16.1 No representation or reliance	47
	16.2 No merger.....	47
	16.3 Consents.....	47
	16.4 Notices.....	48
	16.5 Governing law and jurisdiction.....	49
	16.6 Waivers.....	49
	16.7 Variation.....	49
	16.8 Assignment.....	49
	16.9 Acknowledgement.....	49
	16.10 No third party beneficiary.....	50
	16.11 Further action.....	50
	16.12 Entire Agreement	50
	16.13 Counterparts	50
	Schedules	
	Eldorado Representations and Warranties	52
	Sino Gold Representations and Warranties	57
	Eldorado details	61
	Sino Gold details	62
	Signing page	63
	Indicative Timetable	
	Scheme of arrangement	
	Deed poll	
	Option Scheme – consideration	
	Key terms of the Sale Facility	

Annexure C

Scheme Implementation Deed

Freehills

The Deed

Scheme Implementation Deed

Date ► 26 August 2009 (as amended on 27 October 2009)

Between the parties

Eldorado	Eldorado Gold Corporation of 1188 – 550 Burrard Street, Vancouver, BC V6C 2B5, Canada (Eldorado)
----------	--

Sino Gold	Sino Gold Mining Limited (ABN 42 093 518 579) of Level 22, 44 Market Street, Sydney NSW 2000, Australia (Sino Gold)
-----------	--

Background	<ol style="list-style-type: none"> 1 The parties have agreed that Eldorado Sub will acquire all of the ordinary shares in Sino Gold by means of a scheme of arrangement under Part 5.1 of the Corporations Act between Sino Gold and Scheme Shareholders. 2 The parties have agreed to implement the scheme of arrangement on the terms of this Deed.
------------	---

The parties agree	as set out in the Operative part of this Deed, in consideration of, among other things, the mutual promises contained in this Deed.
-------------------	---

Freehills

Operative part

1 Definitions and interpretation

1.1 Definitions

The meanings of the terms used in this Deed are set out below.

Term	Meaning
AIFRS	the International Financial Reporting Standards as adopted in Australia.
ASIC	the Australian Securities and Investments Commission.
Associate	has the meaning set out in section 12 of the Corporations Act.
ASX	ASX Limited (ABN 98 008 624 691).
Business Day	a day in Sydney or Vancouver that is not a Saturday, Sunday or public holiday and on which banks and ASX and TSX are open for trading.
CDI	CHES Depositary Interest, being a unit of beneficial ownership in a New Eldorado Share registered in the name of CDN.
CDN	CHES Depositary Nominees Pty Limited ACN 071 346 506.
CGAAP	Canadian generally accepted accounting principles.
CHES	the clearing house electronic sub-register system of share transfers operated by ASX Settlement and Transfer Corporation Pty Ltd.
Confidentiality Letter	the confidentiality letter between Eldorado and Sino Gold dated 6 March 2009.
Corporations Act	the <i>Corporations Act 2001</i> (Cth).

Annexure C

Scheme Implementation Deed

Freehills

1 Definitions and interpretation

Term	Meaning
Court	the Federal Court of Australia, Sydney Registry, or such other court of competent jurisdiction under the Corporations Act agreed to in writing by Eldorado and Sino Gold.
Deed	this document including any schedule or annexure.
Deed Poll	a deed poll substantially in the form of Annexure 3 under which Eldorado and Eldorado Sub covenant in favour of the Scheme Shareholders to perform their obligations under the Scheme.
Effective	when used in relation to the Scheme, the coming into effect, under section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to the Scheme.
Effective Date	the date on which the Scheme becomes Effective.
Eldorado Diligence Materials	the information provided by Eldorado to Sino Gold in response to a list to be provided by Sino Gold as soon as practicable after the date of this Deed.
Eldorado Disclosure Letter	a letter identified as such provided by Eldorado to Sino Gold and counter signed by Sino Gold prior to entry into this Deed.
Eldorado Group	Eldorado and each of its subsidiaries and a reference to a 'Eldorado Group Member' or a 'member of the Eldorado Group' is to Eldorado or any of its subsidiaries.
Eldorado Indemnified Parties	Eldorado, its subsidiaries, and all of their respective directors, officers and employees.
Eldorado Information	information regarding the Eldorado Group, and the merged Sino Gold-Eldorado entity following implementation of the Scheme, provided by Eldorado to Sino Gold in writing for inclusion in the Scheme Booklet.
Eldorado Insolvency Event	where any material member of the Eldorado Group makes a general assignment for the benefit of creditors, files or presents a petition, makes a proposal or commits any act of bankruptcy, or if any action is taken or any order is made for the winding up, liquidation or for the appointment of a liquidator, trustee in bankruptcy, custodian, curator, sequestrator, receiver or any other officer with similar powers or if a judgment or order shall be sought or made by any court or jurisdiction approving a petition for reorganization, protection, arrangement or composition of or in respect of any material member of the Eldorado Group or if any material member of the Eldorado Group is insolvent or

Freehills

1 Definitions and interpretation

Term	Meaning
	<p>makes a declaration that it is insolvent or is declared bankrupt.</p>
Eldorado Material Adverse Change	<p>one or more changes, events, occurrences, facts or matters (including for the avoidance of doubt any actions of Government Agencies) which, whether individually or when aggregated with all such changes, events, occurrences or matters of a like kind, has had or may be considered reasonably likely to have:</p> <ol style="list-style-type: none"> 1 the effect of a diminution in the consolidated gross assets of the Eldorado Group, taken as a whole from that shown on Eldorado's balance sheet as at 30 June 2009 (calculated on the basis of CGAAP), of at least US\$80,000,000; or 2 the result that the business, prospects, trading or financial position, assets and material licences of the Eldorado Group are materially adversely affected; provided that, there will only be a material adverse affect under this paragraph 2 if the relevant change, event, occurrence, fact or matter is reasonably likely to have an affect over a material period of time (and for the avoidance of doubt, a mere diminution in the value of consolidated gross assets below US\$80,000,000 (as calculated under paragraph 1 above) will not, of itself, be a material adverse affect), <p>other than those changes, events, occurrences or matters:</p> <ol style="list-style-type: none"> 3 required or permitted by this Deed, the Scheme or transactions contemplated by them; 4 which took place with the written consent of Sino Gold; 5 which Eldorado fully and fairly disclosed publicly on SEDAR or EDGAR prior to entry into this Deed or in the Eldorado Disclosure Letter; 6 that are or that arise from: <ol style="list-style-type: none"> (a) changes in world gold prices or exchange rates; (b) general changes in economic, political or business conditions; or (c) changes in law, regulation or policy of Government Agencies in jurisdictions in which Eldorado Group operates, <p>in each case, which impact producers of gold in a similar matter, but excluding for the avoidance of doubt changes in law, regulation or policy of Government Agencies in jurisdictions in which Eldorado Group operates which are directed at the Eldorado Group's existing operations or which changes affect the Eldorado Group disproportionately more than other entities; or</p> 7 arising from changes to CGAAP or the interpretation of those principles by any professional body or Government Agency. <p>For the avoidance of doubt, a fall in Eldorado's share price will not of itself alone constitute a Eldorado Material Adverse Change.</p>
Eldorado Prescribed Occurrence	<p>other than:</p> <ol style="list-style-type: none"> 1 as required by this Deed, Scheme, the Deed Poll, the Option Scheme or the Option Deed Poll; 2 matters which have been fully and fairly disclosed in (a) the information provided by or on behalf of Eldorado to Sino Gold or its

Annexure C

Scheme Implementation Deed

Freehills

1 Definitions and interpretation

Term	Meaning
	<p>Related Bodies Corporate or their respective Representatives in the course of their due diligence investigations in relation to the Sino Gold Group prior to the entry into this Deed; (b) the Eldorado Disclosure Letter; or (c) Eldorado in publicly filed disclosure documents on SEDAR or EDGAR prior to entry into this Deed; or</p>
3	<p>as agreed to in writing by Sino Gold,</p> <p>the occurrence of any of the following between the date of this Deed and 8.00am on the Second Court Date:</p>
4	<p>Eldorado converting all or any of its shares into a larger or smaller number of shares;</p>
5	<p>any member of the Eldorado Group (other than a direct or indirect wholly owned subsidiary of Eldorado) resolving to reduce its share capital in any way or reclassifying, combining, splitting or redeeming or repurchasing directly or indirectly any of its shares;</p>
6	<p>any member of the Eldorado Group (other than a direct or indirect wholly owned subsidiary of Eldorado):</p> <ul style="list-style-type: none"> • entering into a buy-back agreement; or • resolving to approve the terms of a buy-back agreement;
7	<p>any member of the Eldorado Group Eldorado declaring, paying or distributing any dividend, bonus or other share of its profits or assets or returning or agreeing to return any capital to its shareholders (other than a direct or indirect wholly owned subsidiary of Eldorado declaring, paying or distributing any dividend, bonus or other share of its profits or assets or returning or agreeing to return any capital to Eldorado or to another direct or indirect wholly owned subsidiary of Eldorado);</p>
8	<p>a member of the Eldorado Group issuing Eldorado shares or securities, other than an issue by the Eldorado of Eldorado Shares that is:</p> <ul style="list-style-type: none"> • (along with all other issues under this US\$250,000,000 exclusion) up to US\$250,000,000; • at a price per share or security Eldorado that is not less than the VWAP of Eldorado Shares on the TSX over the 30 trading day period prior to the date of this Deed; and • that is announced on or before 15 December 2009, <p>and in all cases excluding an issue of any shares or other securities: (a) by a direct or indirect wholly owned subsidiary of Eldorado to Eldorado or to another direct or indirect wholly owned subsidiary of the Eldorado; (b) upon or pursuant to the exercise of an option referred to in Schedule 3; (c) to directors, officers and employees under an existing share or option plan in the ordinary course of business; (d) in accordance with the terms of the Share Purchase & Sale Agreement between Eldorado and Goldfields Australasia (BVI) Limited dated 3 June 2009 (as amended on 10 July 2009); or (e) as Sino Gold consents to in writing;</p>
9	<p>Eldorado making any change to its restated articles of incorporation and bylaws without the consent of Sino Gold (such consent not to be unreasonably withheld or delayed);</p>
10	<p>a material member of the Eldorado Group disposing, or agreeing to dispose, of the whole, or a substantial part, of its business or property; or</p>

Freehills

1 Definitions and interpretation

Term	Meaning
	11 if a Eldorado Insolvency Event occurs. Eldorado Eldorado Eldorado
Eldorado Reimbursement Fee	A\$21,000,000
Eldorado Representations and Warranties	the representations and warranties of Eldorado set out in Schedule 1.
Eldorado Shares	common shares in the capital of Eldorado.
Eldorado Sub	Eldorado Pacific Pty Limited (ACN 140 003 149), a wholly owned subsidiary of Eldorado.
End Date	31 March 2010.
Excluded Shareholder	any Sino Gold Shareholder who is a member of the Eldorado Group or any Sino Gold Shareholder who holds any Sino Gold Shares on behalf of, or for the benefit of, any member of the Eldorado Group.
FATA	the <i>Foreign Acquisitions and Takeovers Act 1975</i> (Cth).
Fee Trigger Event	a Third Party Transaction of any kind is announced prior to the End Date and within one year of the date of such announcement, the relevant Third Party or an Associate of that Third Party: <ol style="list-style-type: none"> 1 completes a Third Party Transaction of the kind referred to either in paragraph 1, 3 or 4 of the definition of Third Party Transaction; or 2 (without limiting 1 above) acquires a relevant interest in at least 50% of the Sino Gold Shares.
Financial Advisor	any financial advisor retained by Sino Gold in relation to the Scheme or a Third Party Transaction from time to time.
Financial Indebtedness	any debt or other monetary liability (whether actual or contingent) in respect of moneys borrowed or raised or any financial accommodation including under or in respect of any: <ol style="list-style-type: none"> 1 bill, bond, debenture, note or similar instrument; 2 acceptance, endorsement or discounting arrangement; 3 guarantee; 4 finance or capital lease; 5 agreement for the deferral of a purchase price or other payment in

Annexure C

Scheme Implementation Deed

Freehills

1 Definitions and interpretation

Term	Meaning
	<p>relation to the acquisition of any asset or service; or</p> <p>6 obligation to deliver goods or provide services paid for in advance by any financier.</p>
First Court Date	the first day on which an application made to the Court for an order under section 411(4)(a) of the Corporations Act convening the Scheme Meeting is heard.
Government Agency	any foreign or Australian government or governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity, or any minister of the Crown in right of the Commonwealth of Australia or any other federal, state, provincial, local or other government (foreign or Australian).
HKSE	Hong Kong Stock Exchange.
Implementation Date	the fourth calendar day after the Record Date, or such other day as the parties agree.
Independent Expert	the independent expert in respect of the Scheme appointed by Sino Gold.
Independent Expert Report	means the report to be issued by the Independent Expert in connection with the Scheme.
Ineligible Foreign Optionholder	a Sino Gold Optionholder whose address shown in the Sino Gold register of optionholders is a place outside Australia and its external territories, Canada, China (including Hong Kong but excluding Macao), New Zealand, Singapore, Switzerland, the United Kingdom or the United States unless Eldorado determines that it is lawful and not unduly onerous or impracticable to issue that optionholder with New Eldorado Shares in accordance with the terms of the Option Offer or Option Scheme (as the case may be).
Ineligible Foreign Shareholder	a Scheme Shareholder whose address shown in the Sino Gold Share Register is a place outside Australia and its external territories, Canada, China (including Hong Kong but excluding Macao), New Zealand, Singapore, Switzerland, the United Kingdom or the United States unless Eldorado determines that it is lawful and not unduly onerous or impracticable to issue that Scheme Shareholder with New Eldorado Shares when the Scheme becomes Effective.
Listing Rules	the official listing rules of the ASX.

Freehills

1 Definitions and interpretation

Term	Meaning
New Eldorado Share	a common share in the capital of Eldorado to be issued to: <ol style="list-style-type: none"> 1 Scheme Shareholders under the Scheme; and 2 Scheme Optionholders under the Option Scheme.
No-Shop Period and No-Talk Period	the period from and including the date of this Deed to the earlier of: <ol style="list-style-type: none"> 1 the termination of this Deed; and 2 the End Date.
NYSE	NYSE AMEX LLC or the New York Stock Exchange, whichever stock exchange in the United States of America upon which the Eldorado Shares are listed and traded.
Option Consideration	the consideration to be provided by Eldorado to each Scheme Optionholder for the cancellation of the each Scheme Option, as determined in accordance with clause 4.8 and Annexure 4.
Option Deed Poll	a deed poll, the form of which is to be agreed between Eldorado and Sino Gold under which Eldorado and Eldorado Sub covenant in favour of the Scheme Optionholders to perform their obligations under the Option Scheme.
Option Scheme	the scheme of arrangement under Part 5.1 of the Corporations Act between Sino Gold and the Scheme Optionholders, the form of which is to be agreed between Eldorado and Sino Gold but under which Scheme Optionholders will receive the consideration set forth in Annexure 4 (or such other consideration as may be agreed between Eldorado and Sino Gold in writing), subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and agreed to by Eldorado and Sino Gold.
RG 60	Regulatory Guide 60 issued by ASIC on 4 August 1999 as Policy Statement 60 (as amended) relating to schemes of arrangement and the application of section 411(17) of the Corporations Act.
RG 142	Regulatory Guide 142 issued by ASIC on 4 August 1999 as Policy Statement 142 (as amended) relating to ASIC review of schemes of arrangement.
Record Date	5.00pm on the fifth Business Day after the Effective Date.
Regulator's Draft	the draft of the Scheme Booklet in a form which is provided to ASIC for approval pursuant to section 411(2) of the Corporations Act.

Annexure C

Scheme Implementation Deed

Freehills

1 Definitions and interpretation

Term	Meaning
Regulatory Approval	an approval set out in clause 3.1(a).
Related Bodies Corporate	has the meaning set out in the Corporations Act.
Representative	<ol style="list-style-type: none"> 1 in respect of a party or its subsidiaries, each director, officer, employee, advisor, agent or representative of that party or Related Body Corporate; and 2 in respect of a Financial Advisor, each director, officer, employee or contractor of that Financial Advisor.
Sale Agent	a person appointed by Eldorado after consultation with Sino Gold to sell the New Eldorado Shares that are attributable to Ineligible Foreign Shareholders or those eligible Scheme Shareholders who elect to have the New Eldorado Shares that are attributable to them sold through the Sale Facility under the terms of the Scheme.
Sale Facility	the share sale facility referred to in clause 5.2(l).
Scheme	the scheme of arrangement under Part 5.1 of the Corporations Act between Sino Gold and the Scheme Shareholders, the form of which is attached as Annexure 2, subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and agreed to by Eldorado, Eldorado Sub and Sino Gold.
Scheme Booklet	the information described in clause 5.1(a) to be approved by the Court and despatched to the Sino Gold Shareholders (other than Excluded Shareholders) and which must include the Scheme, an explanatory statement complying with the requirements of the Corporations Act, the Corporations Regulations RG60 and RG142, an independent expert's report, notices of meeting and proxy form.
Scheme Consideration	the consideration to be provided by the Eldorado to each Scheme Shareholder for the transfer to Eldorado Sub of each Scheme Share, as determined in accordance with clause 4.3.
Scheme Meeting	the meeting of Sino Gold Shareholders (other than Excluded Shareholders) ordered by the Court to be convened under section 411(1) of the Corporations Act.
Scheme Option	a Sino Gold Option held by a Scheme Optionholder as at 5.00 pm on the fifth Business Day after the date on which the Option Scheme comes into effect under section 411(10) of the Corporations Act.

Freehills

1 Definitions and interpretation

Term	Meaning
Scheme Optionholders	holders of Sino Gold Options recorded in Sino Gold's register of optionholders as at 5.00 pm on the fifth Business Day after the date on which the Option Scheme comes into effect under section 411(10) of the Corporations Act.
Scheme Share	a Sino Gold Share held by a Scheme Shareholder as at the Record Date.
Scheme Shareholders	holders of fully paid ordinary shares in Sino Gold (other than Excluded Shareholders) recorded in the Register as at the Record Date.
Second Court Date	the first day on which an application made to the Court for an order under section 411(4)(b) of the Corporations Act approving the Scheme is heard.
SEDAR	the System for Electronic Document Analysis and Retrieval of the securities regulatory authorities in Canada.
Sino Gold Board	the Sino Gold Board of directors.
Sino Gold Consolidated Tax Group	the consolidated group of which Sino Gold is the head company (where "consolidated group" and "head company" have the same meaning in the <i>Income Tax Assessment Act 1997</i> (Cth)).
Sino Gold Diligence Materials	the information provided by Sino Gold to Eldorado in response to a list to be provided by Eldorado as soon as practicable after the date of this Deed (such list will not include any information requests in relation to technical information). Eldorado
Sino Gold Disclosure Letter	a letter identified as such provided by Sino Gold to Eldorado and countersigned by Eldorado prior to entry into this Deed.
Sino Gold Group	Sino Gold and each of its subsidiaries and a reference to a 'Sino Gold Group Member' or a 'member of the Sino Gold Group' is to Sino Gold or any of its subsidiaries.
Sino Gold Indemnified Parties	Sino Gold, its subsidiaries and all of their respective directors, officers and employees.
Sino Gold Information	information regarding the Sino Gold Group provided by Sino Gold for inclusion in the Scheme Booklet (which for the avoidance of doubt does not include the Eldorado Information or the Independent Expert's Report or an investigating accountants report).

Annexure C

Scheme Implementation Deed

Freehills

1 Definitions and interpretation

Term	Meaning
Sino Gold Material Adverse Change	<p>one or more changes, events, occurrences, facts or matters (including for the avoidance of doubt any actions of Government Agencies) which, whether individually or when aggregated with all such changes, events, occurrences or matters of a like kind, has had or may be considered reasonably likely to have:</p> <ol style="list-style-type: none"> 1 the effect of a diminution in the consolidated gross assets of the Sino Gold Group, taken as a whole from that shown on Sino Gold's balance sheet as at 31 December 2008 (calculated on the basis of AIFRS), of at least A\$60,000,000; or 2 the result that the business, prospects, trading or financial position, assets and material licences of the Sino Gold Group are materially adversely affected provided that, there will only be a material adverse affect under this paragraph 2 if the relevant change, event, occurrence, fact or matter is reasonably likely to have an affect over a material period of time (and for the avoidance of doubt, a mere diminution in the value of consolidated gross assets below A\$60,000,000 (as calculated under paragraph 1 above) will not, of itself, be a material adverse affect), <p>other than those changes, events, occurrences or matters:</p> <ol style="list-style-type: none"> 3 required or permitted by this Deed, the Scheme or transactions contemplated by them; 4 which took place with the written consent of Eldorado; 5 which Sino Gold fully and fairly disclosed in an announcement made to the ASX prior to entry into this Deed or in the Sino Gold Disclosure Letter; 6 that are or that arise from: <ol style="list-style-type: none"> (a) changes in world gold prices or exchange rates; (b) general changes in economic, political or business conditions; or (c) from changes in law, regulation or policy of Government Agencies in jurisdictions in which the Sino Gold Group operates, in each case, which impact producers of gold in a similar matter, but excluding for the avoidance of doubt changes in law, regulation or policy of Government Agencies in jurisdictions in which Sino Gold Group operates which are directed at the Sino Gold Group's existing operations or which effect the Sino Gold Group disproportionately more than other entities; or 7 arising from changes to any generally accepted accounting principles in Australia or the interpretation of those principles by any professional body or Government Agency. <p>For the avoidance of doubt, a fall in Sino Gold's share prices will not itself constitute a Sino Gold Material adverse Change.</p>
Sino Gold Insolvency Event	<p>in relation to a person means:</p> <ol style="list-style-type: none"> 1 a material member of the corporate group to which that person belongs resolving that it be wound up or the making of an application or order for the winding up or dissolution of that member other than where the application or order (as the case may be) is set aside within 14 days; 2 a liquidator or provisional liquidator of a member of the relevant

Freehills

1 Definitions and interpretation

Term	Meaning
	<p>corporate group to which that person belongs being appointed;</p> <p>3 a court making an order for the winding up of a member of the relevant corporate group to which that person belongs;</p> <p>4 an administrator of a member of the relevant corporate group to which that person belongs being appointed under the Corporations Act;</p> <p>5 a member of the relevant corporate group to which that person belongs is or becomes unable to pay its debts when they fall due within the meaning of the Corporations Act or is otherwise presumed to be insolvent under the Corporations Act unless that member has, or has access to, committed financial support from its parent entity such that it is able to pay its debts;</p> <p>6 a member of the relevant corporate group to which that person belongs executing a deed of company arrangement; or</p> <p>7 a receiver, or a receiver and manager, being appointed in relation to the whole, or a substantial part, of the property of a member of the relevant corporate group to which that person belongs.</p>
Sino Gold Option	an option to acquire one unissued Sino Gold Share.
Sino Gold Optionholder	each person who is registered as the holder of a Sino Gold Option.
Sino Gold Prescribed Occurrence	<p>other than:</p> <p>1 as required by this Deed, the Scheme or the Option Scheme;</p> <p>2 matters which have been fully and fairly disclosed in (a) the information provided by or on behalf of Sino Gold to Eldorado or its Related Bodies Corporate or their respective Representatives in the course of their due diligence investigations in relation to the Sino Gold Group prior to the entry into this Deed; (b) the Sino Gold Disclosure Letter; or (c) any announcement by the Sino Gold to the ASX prior to the entry into this Deed; or</p> <p>3 as agreed to in writing by Eldorado,</p> <p>the occurrence of any of the following between the date of this Deed and 8.00am on the Second Court Date:</p> <p>1 Sino Gold converting all or any of its shares into a larger or smaller number of shares;</p> <p>2 any member of the Sino Gold Group (other than a direct or indirect wholly owned subsidiary of Sino Gold) resolving to reduce its share capital in any way or reclassifying, combining, splitting or redeeming or repurchasing directly or indirectly any of its shares;</p> <p>3 any member of the Sino Gold Group (other than a direct or indirect wholly owned subsidiary of Sino Gold):</p> <ul style="list-style-type: none"> • entering into a buy-back agreement; or • resolving to approve the terms of a buy-back agreement under the Corporations Act; <p>4 any member of the Sino Gold Group (other than a direct or indirect</p>

Annexure C

Scheme Implementation Deed

Freehills

1 Definitions and interpretation

Term	Meaning
	wholly owned subsidiary of Sino Gold) declaring, paying or distributing any dividend, bonus or other share of its profits or assets or returning or agreeing to return any capital to its members;
5	a member of the Sino Gold Group Sino Gold issuing securities, including without limitation shares, or granting an option (over its shares, or agreeing to make such an issue or grant such an option other than to Sino Gold or to a direct or indirect wholly owned subsidiary of Sino Gold Sino Gold or pursuant to the exercise on an option disclosed to ASX prior to the date of this Deed), including pursuant to a dividend reinvestment or other share plan;
6	a member of the Sino Gold Group issuing or agreeing to issue securities convertible into shares, including pursuant to a dividend reinvestment or other share plan;
7	a material member of the Sino Gold Group making any change to its constitution;
8	a member of the Sino Gold Group commencing business activities, whether by way of acquisition, mineral exploration or otherwise, outside of the People's Republic of China;
9	a material member of the Sino Gold Group disposing, or agreeing to dispose, of the whole, or a substantial part, of its business or property;
10	a member of the Sino Gold Group: <ul style="list-style-type: none"> • acquiring, leasing or disposing of; • agreeing to acquire, lease or dispose of; or • irrevocably offering, proposing, announcing a bid or tendering for, any business, assets, entity or undertaking, the value of which exceeds A\$20,000,000 (individually or in aggregate);
11	a member of the Sino Gold Group entering into a contract or commitment which materially restrains a member of the Sino Gold Group from competing with any person or conducting activities in any material market;
12	a member of the Sino Gold Group creating, or agreeing to create, any mortgage, charge, lien or other encumbrance over the whole, or a substantial part, of its business or property other than a lien which arises by operation of law or legislation securing an obligation that is not yet due;
13	a member of the Sino Gold Group: <ul style="list-style-type: none"> • entering into any contract or commitment (including in respect of Financial Indebtedness) requiring payments by the Sino Gold Group in excess of A\$20,000,000 (individually or in aggregate) other than any payment required by law; or • (without limiting the foregoing) incurring or agreeing to incur capital expenditure from the date of this Deed of more than A\$10,000,000 (individually or in aggregate); • waiving any material third party default where the financial impact on the Sino Gold Group will be in excess of A\$5,000,000 (individually or in aggregate); • accepting as a compromise of a matter less than the full compensation due to a member of the Sino Gold Group where

Freehills

1 Definitions and interpretation

Term	Meaning
	<p>the result of the compromise is that the member will receive an amount which is more than A\$5,000,000 (individually or in aggregate) less than the amount of full compensation; or</p> <ul style="list-style-type: none"> • otherwise waiving, releasing, granting or transferring any rights with a value of more than A\$5,000,000 (individually or in aggregate);
	14 a member of the Sino Gold Group providing financial accommodation other than to members of the Sino Gold Group (irrespective of what form of Financial Indebtedness that accommodation takes) in excess of A\$2,000,000 (individually or in aggregate);
	15 a member of the Sino Gold Group entering into any agreement, arrangement or transaction with respect to derivative instruments which relate to the price of gold or to interest rates (including, but not limited to, swaps, futures contracts, forward commitments, commodity derivatives or options) or similar instruments;
	16 a Sino Gold Insolvency Event occurs;
	17 a member of the Sino Gold Group entering into or resolving to enter into a transaction with any related party of Sino Gold (other than a related party which is a member of the Sino Gold Group) as defined in section 228 of the Corporations Act which would require shareholder approval under Chapter 2E or under Chapter 10 of the Listing Rules;
	18 Sino Gold or any of its subsidiaries being deregistered as a company or otherwise dissolved except in the case of a Sino Gold Group Member with less than A\$1,000,000 (individually or in aggregate) in net assets as at the date of this Deed;
	19 a member of the Sino Gold Group amending in any material respect any arrangement with its Financial Advisor, or entering into arrangements with a new Financial Advisor which arrangements with any such new Financial Advisor may involve the payment of fees of in excess of A\$500,000 (individually or in aggregate), in respect of the Transaction;
	20 a member of the Sino Gold Group changing any accounting policy applied by them to report their financial position other than any change in policy required by a change in accounting standards;
	21 a member of the Sino Gold Group doing anything that would result in a de-consolidation of the Sino Gold Consolidated Tax Group, other than acquiring or disposing of a wholly owned subsidiary (subject always to the other provisions of this Deed); or
	22 a member of the Sino Gold Group amending any material term of any joint venture agreements relating to the Jinfeng Joint Venture.
Sino Gold Registry	Registries Limited (ACN 003 209 836).
Sino Gold Representations and Warranties	the representations and warranties of Sino Gold set out in Schedule 2.

Annexure C

Scheme Implementation Deed

Freehills

1 Definitions and interpretation

Term	Meaning
Sino Gold Reimbursement Fee	A\$21,000,000.
Sino Gold Share	a fully paid ordinary share of Sino Gold.
Sino Gold Shareholder	each person who is registered as the holder of an Sino Gold Share.
Sino Gold Share Register	the register of members of Sino Gold maintained in accordance with the Corporations Act.
Superior Proposal	<p>a bona fide Third Party Transaction of the kind referred to in either paragraph 1, 3 or 4 of the definition of Third Party Transaction (and not resulting from a breach by Sino Gold of its obligations under this Deed including, without limitation, clause 11) which the Sino Gold Board, acting in good faith, and after taking written advice from its legal and Financial Advisors, determines is:</p> <p>(a) reasonably capable of being valued and completed on a timely basis, taking into account all aspects of the Third Party Transaction and the person making it, including without limitation having regard to legal, regulatory and financial matters and any conditions precedents; and</p> <p>(b) more favourable to Sino Gold Shareholders (other than the Excluded Shareholders) than the Scheme, taking into account all terms and conditions of the Third Party Transaction.</p>
Tax Act	the <i>Income Tax Assessment Act 1997</i> (Cth).
Third Party	a person other than Eldorado and its Associates.
Third Party Transaction	<p>a transaction or arrangement pursuant to which a Third Party will, if the transaction or arrangement is entered into or completed:</p> <ol style="list-style-type: none"> 1 acquire (whether directly or indirectly) or become the holder of, or otherwise acquire, have a right to acquire or have an economic interest in all or a substantial part of the business of the Sino Gold Group; 2 acquire (whether directly or indirectly), under that transaction or arrangement, the power to exercise, or control the exercise of, the right to vote attached to 10% or more of the Sino Gold Shares; 3 acquire control (as determined in accordance with section 50AA of the Corporations Act) of Sino Gold; 4 otherwise acquire or merge with Sino Gold; or 5 enter into any agreement, arrangement or understanding requiring Sino Gold to abandon, or otherwise fail to proceed with, the Transaction, <p>whether by way of takeover offer, scheme of arrangement, shareholder</p>

Freehills

1 Definitions and interpretation

Term	Meaning
	approved acquisition, capital reduction or buy back, sale or purchase of shares or assets, joint venture, dual-listed company structure (or other synthetic merger), or other transaction or arrangement.
Timetable	the indicative timetable for the implementation of the Transaction set out in Annexure 1.
Transaction	the acquisition of Sino Gold by Eldorado Sub through implementation of the Scheme in accordance with the terms of this Deed.
TSX	the Toronto Stock Exchange.
VWAP	the volume weighted average trading price of the Eldorado Shares, calculated by dividing the total value by the total volume of securities traded for the relevant period.

1.2 Interpretation

In this Deed, headings are for convenience only and do not affect interpretation and, unless the context requires otherwise:

- (a) words importing the singular include the plural and vice versa;
- (b) words importing a gender include any gender;
- (c) other parts of speech and grammatical forms of a word or phrase defined in this Deed have a corresponding meaning;
- (d) a reference to a person includes an individual, the estate of an individual, a corporation, an authority, an association or a joint venture, a partnership, a trust and any Government Agency;
- (e) a reference to a clause, party, Attachment, exhibit or schedule is a reference to a clause of, and a party, Attachment, exhibit and schedule to this Deed, and a reference to this Deed includes any Attachment, exhibit and schedule;
- (f) a reference to a statute, regulation, proclamation, ordinance or by law includes all statutes, regulations, proclamations, ordinances or by laws amending, consolidating or replacing it, whether passed by the same or another Government Agency with legal power to do so, and a reference to a statute includes all regulations, proclamations, ordinances and by laws issued under that statute;
- (g) a reference to any document (including this Deed) is to that document as varied, novated, ratified or replaced from time to time;
- (h) the word 'includes' in any form is not a word of limitation;

Annexure C

Scheme Implementation Deed

Freehills

2 Agreement to proceed with the Transaction

- (i) a reference to '\$', 'A\$' or 'dollar' is to the lawful currency of Australia;
- (j) a reference to 'C\$' is to the lawful currency of Canada;
- (k) a reference to 'US\$' is to the lawful currency of the United States of America;
- (l) a reference to any time is to the time in Sydney, Australia;
- (m) a term defined in or for the purposes of the Corporations Act has the same meaning when used in this Deed;
- (n) a reference to a "material member" of either the Eldorado Group or the Sino Gold Group is to a member of the respective group that is material in the context of Eldorado and its subsidiaries taken as a whole, or Sino Gold and its subsidiaries taken as a whole, as the case may be;
- (o) a reference to the Listing Rules includes any variation, consolidation or replacement of these rules and is to be taken to be subject to any waiver or exemption granted to the compliance of those rules by a party;
- (p) a reference to the date of this Deed, or the date on which this Deed was entered into or executed, means 26 August 2009; and
- (q) a reference to an event occurring or required to occur before or after the execution of or entry into this Deed means the execution of or entry into this Deed on 26 August 2009.

1.3 Business Day

Where the day on or by which any thing is to be done is not a Business Day, that thing must be done on or by the next Business Day.

1.4 Contra proferentem excluded

No term or condition of this Deed will be construed adversely to a party solely on the ground that the party was responsible for the preparation of this Deed or a provision of it.

2 Agreement to proceed with the Transaction

- (a) Sino Gold agrees to propose the Scheme on and subject to the terms of this Deed.
- (b) Eldorado agrees with Sino Gold to assist Sino Gold to propose the Scheme, and to procure Eldorado Sub to assist Sino Gold propose the Scheme, on and subject to the terms of this Deed.

Freehills

3 Conditions precedent and pre-implementation steps

3 Conditions precedent and pre-implementation steps

3.1 Conditions precedent

Subject to this clause 3, the Scheme will not become Effective, and the obligations of Eldorado under clause 4.3 are not binding, until each of the following conditions precedent is satisfied or waived to the extent and in the manner set out in clause 3.3.

- (a) **Regulatory Approvals:** before 5.00pm on the Business Day before the Second Court Date.
- (1) **FIRB:**
- (A) the Treasurer of Australia or his delegate notifies Eldorado in writing that there are no objections in terms of foreign investment policy of the Australian government to the acquisition by Eldorado Sub of the Sino Gold Shares under the Scheme; or
- (B) the Treasurer of Australia becomes precluded by passage of time from making any order under Part II of the Foreign Acquisitions and Takeovers Act 1975 (Cth) in respect of the acquisition by Eldorado Sub of the Sino Gold Shares under the Scheme.
- (2) **ASIC:** ASIC issues or provides such consents or approvals or does such other acts which the parties agree are reasonably necessary or desirable to implement the Scheme;
- (3) **ASX:** ASX issues or provides such consents or approvals or does such other acts which the parties agree are reasonably necessary to implement the Scheme, including admission of Eldorado to the official list of the ASX and the approval for official quotation of Chess Depository Interests in respect of the New Eldorado Shares.
- (4) **TSX and NYSE:** conditional approval from the TSX and approval (subject to official notice of issuance) from the NYSE to the listing of the New Eldorado Shares to be issued pursuant to the Scheme and the Option Scheme, and, if required by TSX or NYSE, the approval of persons holding Eldorado Shares.
- (together **Regulatory Approvals**).
- (b) **Shareholder approval:** Sino Gold Shareholders (other than Excluded Shareholders) agree to the Scheme at the Scheme Meeting by the requisite majorities under the Corporations Act.
- (c) **Court approval:** The Court approves the Scheme in accordance with section 411(4)(b) of the Corporations Act.
- (d) **Restraints:** No temporary restraining order, preliminary or permanent injunction or other order issued by, or other material legal restraint or prohibition imposed by, any court of competent jurisdiction or Government Agency preventing the Transaction is in effect at 8.00am on the Second Court Date.
- (e) **Eldorado due diligence:** Provision of the Sino Gold Diligence Materials to Eldorado and completion of review of those materials by Eldorado between the date of this Deed and 4.00pm on Monday 14 September 2009, and such due

Annexure C

Scheme Implementation Deed

Freehills

3 Conditions precedent and pre-implementation steps

diligence review not disclosing one or more changes, events, occurrences, facts or matters which is a Sino Gold Material Adverse Change;

- (f) **Sino Gold due diligence:** Provision of the Eldorado Diligence Materials to Sino Gold and completion of review of those materials by Sino Gold between the date of this Deed and 4.00pm on Monday 14 September 2009, and such due diligence investigations not disclosing one or more changes, events, occurrences, facts or matters which is a Eldorado Material Adverse Change;
- (g) **No Sino Gold Prescribed Occurrence:** no Sino Gold Prescribed Occurrence occurs between the date of this Deed and 8.00am on the Second Court Date.
- (h) **No Sino Gold Material Adverse Change:** no Sino Gold Material Adverse Change occurs, or is discovered, announced, disclosed or otherwise becomes known to Eldorado between the date of this Deed and 8.00am on the Second Court Date.
- (i) **Sino Gold Representations and Warranties:** the representations and warranties of Sino Gold set out in this Deed are true and correct in all material respects as at the date of this Deed and as at 8.00am on the Second Court Date.
- (j) **No Eldorado Prescribed Occurrence:** no Eldorado Prescribed Occurrence occurs between the date of this Deed and 8.00am on the Second Court Date.
- (k) **No Eldorado Material Adverse Change:** no Eldorado Material Adverse Change occurs, or is discovered, announced, disclosed or otherwise becomes known to Sino Gold between the date of this Deed and 8.00am on the Second Court Date.
- (l) **Eldorado Representations and Warranties:** the representations and warranties of Eldorado set out in this Deed are true and correct in all material respects as at the date of this Deed and as at 8.00am on the Second Court Date.
- (m) **Sino Gold Optionholder approval:** Sino Gold Optionholders agree to the Option Scheme at the meeting or meetings of Sino Gold Optionholders held in connection with the Option Scheme by the requisite majorities under the Corporations Act.
- (n) **Court approval of the Option Scheme:** The Court approves the Option Scheme in accordance with section 411(4)(b) of the Corporations Act.

3.2 Reasonable endeavours

- (a) Sino Gold must use its reasonable endeavours to procure that the condition precedent in clauses 3.1(g), 3.1(h) and 3.1(i) are satisfied.
- (b) Eldorado must use its reasonable endeavours to procure that the condition precedent in clauses 3.1(j), 3.1(k) and 3.1(l) are satisfied.
- (c) Subject to clause 3.3(f), each party must use its reasonable endeavours to procure that:
 - (1) the conditions precedent in clauses 3.1(a), 3.1(b), 3.1(c), 3.1(d), 3.1(e), 3.1(f), 3.1(m) and 3.1(n) are satisfied; and
 - (2) there is no occurrence within the control of Sino Gold or Eldorado (as the context requires) that would prevent the conditions precedent in

Freehills

3 Conditions precedent and pre-implementation steps

clause 3.1, which such party must use reasonable endeavours to satisfy, being satisfied.

- (d) Without limiting this clause 3.2, each party must:
- (1) promptly apply for all relevant Regulatory Approvals (as applicable) and provide to the other a copy of all those applications;
 - (2) take all steps it is responsible for as part of the Regulatory Approval process, including responding to requests for information at the earliest practicable time;
 - (3) provide the other party with all information reasonably requested in connection with the applications for Regulatory Approvals; and
 - (4) consult with the other in advance in relation to the progress of obtaining Regulatory Approvals.

3.3 Waiver of conditions precedent

- (a) Subject to clause 3.3(f), the conditions precedent in clauses 3.1(a)(1), 3.1(a)(2), 3.1(b), 3.1(c) and 3.1(d) cannot be waived.
- (b) Subject to clause 3.3(f), the conditions precedent in clauses 3.1(a)(3) and 3.1(a)(4) are for the benefit of each party, and any breach or non-fulfilment of that condition precedent may only be waived with the written consent of each of the parties.
- (c) The condition precedent in clauses 3.1(e), 3.1(g), 3.1(h), 3.1(i), 3.1(m) and 3.1(n) are for the sole benefit of Eldorado and may only be waived by Eldorado (in its absolute discretion) in writing.
- (d) The condition precedent in clauses 3.1(f), 3.1(j), 3.1(k) and 3.1(l) are for the sole benefit of Sino Gold and may only be waived by Sino Gold (in its absolute discretion) in writing.
- (e) If a party waives the breach or non-fulfilment of any of the conditions precedent in clause 3.1, that waiver does not prevent it from suing the other party for any breach of this Deed that resulted in the breach or non-fulfilment of the condition precedent.
- (f) If ASX requires any amendments to be made to Eldorado's restated articles of incorporation or bylaws in connection with the admission of Eldorado to the official list of ASX which amendments would require the approval of persons holding Eldorado Shares or would be prohibited under Canadian law, or ASX otherwise refuses to admit Eldorado to the official list of the ASX or refuses to approve for official quotation the CDIs in respect of New Eldorado Shares either party may serve a notice on the other the effect of which is that the application for admission of Eldorado to the official list of the ASX and for official quotation of Chess Depository Interests in respect of the New Eldorado Shares shall be withdrawn and the condition precedent in clause 3.1(a)(3) will be waived.
- (g) Waiver of a breach or non-fulfilment in respect of one condition precedent does not constitute:
 - (1) a waiver of breach or non-fulfilment of any other condition precedent resulting from the same event; or
 - (2) a waiver of breach or non-fulfilment of that condition precedent resulting from any other event.

Annexure C

Scheme Implementation Deed

Freehills

3 Conditions precedent and pre-implementation steps

3.4 Termination on failure of condition precedent

- (a) If any event occurs which would prevent any of the conditions precedent in clause 3.1 being satisfied, or there is an occurrence that will prevent the condition precedent being satisfied by the time and date specified in this Deed for its satisfaction or if it becomes probable that the Scheme will not become Effective by the End Date, the parties must consult in good faith to:
- (1) consider and if agreed determine whether the Transaction may proceed by way of alternative means or methods;
 - (2) consider and if agreed change the date of the application made to the Court for an order under section 411(4)(b) of the Corporations Act approving the Scheme or adjourning that application (as applicable) to another date agreed to in writing by Eldorado and Sino Gold (being a date no later than 5 Business Days before the End Date); or
 - (3) consider and if agreed extend the relevant date or End Date.
- (b) Subject to clause 3.4(d) and clause 3.4(e), if the parties are unable to reach agreement under clause (a) within 5 Business Days of becoming aware of the relevant occurrence or relevant date or by the End Date, then unless that condition precedent is waived by Eldorado or Sino Gold as provided in clause 3.3, then either party may terminate this Deed without any liability to the other party because of that termination, unless the relevant occurrence or the failure of the condition precedent to be satisfied, or the failure of the Scheme to become Effective, arises out of a breach of clauses 3.2 or 3.5 by the terminating party of this Deed (for the avoidance of doubt, in such circumstances, the party which is not the terminating party of this Deed may still terminate this Deed). For the avoidance of doubt, nothing in this clause 3.4(b) affects the obligation of Sino Gold to pay the Sino Gold Reimbursement Fee, if it is required to do so under clause 12.
- (c) Subject to any rights or obligations arising under or pursuant to clauses that are expressed to survive termination (including by virtue of clause 13.3), on termination of this Deed, no party shall have any rights against or obligations to any other party under this Deed except for those rights and obligations which accrued prior to termination.
- (d) If the condition in clause 3.1(b) is not satisfied only because of a failure to obtain the majority required by section 411(4)(a)(ii)(A) of the Corporations Act, then either party may by written notice within 3 Business Days after the date of the conclusion of the Scheme Meeting require the approval of the Court to be sought, pursuant to the Court's discretion in that section, provided the party has in good faith formed the view that the prospect of the Court exercising its discretion in that way is reasonable.
- (e) If the Court refuses to make an order approving the Scheme satisfying clause 3.1(c), at Eldorado's request Sino Gold must appeal the Court's decision to the fullest extent possible (except to the extent that the parties agree otherwise, or an independent Senior Counsel indicates that, in his or her view, an appeal would have negligible prospects of success before the End Date). Sino Gold may bring an appeal even if not requested by Eldorado. If any such appeal is undertaken at the request of Eldorado, Eldorado will bear Sino Gold's costs of the appeal (including costs of the independent Senior Counsel) unless the parties otherwise agree. If any such appeal is undertaken by Sino Gold, without the prior request from Eldorado, Sino Gold will bear Eldorado's costs of the appeal unless the parties otherwise agree.

Freehills

4 Transaction steps

3.5 Certain notices

- (a) Sino Gold and Eldorado (as the case may be) must promptly advise each other, orally and in writing, of satisfaction of a condition precedent.
- (b) If a condition precedent is not satisfied by the time and date specified, the parties agree that (unless there is no reasonable prospect that the condition precedent will be satisfied before the End Date) an application will be made to defer the Second Court Date until such time (not later than the Business Day before the End Date) as reasonably required to enable the relevant condition precedent to be satisfied.
- (c) If, before the time and date specified for satisfaction of a condition precedent, an event that will prevent that condition precedent being satisfied occurs, the party with knowledge of that event must immediately give the other party written notice of that event.
- (d) Sino Gold and Eldorado (as the case may be) must promptly advise each other orally and in writing of any change or event causing, or which, so far as can reasonably be foreseen, would cause:
 - (1) a representation or warranty provided in this Deed by the relevant party to be false;
 - (2) a breach or non-fulfilment of any of the conditions precedent; or
 - (3) a material breach of this Deed by the relevant party.

4 Transaction steps

4.1 Scheme

Sino Gold must propose a scheme of arrangement under which all of the Scheme Shares will be transferred to Eldorado Sub and the Scheme Shareholders will be entitled to receive the Scheme Consideration.

4.2 No amendment to the Scheme without consent

Sino Gold must not consent to any modification of, or amendment to, or the making or imposition by the Court of any condition in respect of, the Scheme without the prior written consent of Eldorado.

4.3 Scheme Consideration

- (a) Subject to clause 4.3(b) and 4.3(c), Eldorado undertakes and warrants to Sino Gold that in consideration of the transfer to Eldorado Sub of each Sino Gold Share held by a Scheme Shareholder under the terms of the Scheme, on the Implementation Date Eldorado will:
 - (1) procure that Eldorado Sub will accept that transfer; and
 - (2) provide to each Scheme Shareholder the Scheme Consideration for each Scheme Share, being 0.55 New Eldorado Shares in the form of CDIs for every one Scheme Share, in accordance with the terms of this Deed and the Scheme.

Annexure C

Scheme Implementation Deed

Freehills

4 Transaction steps

- (b) Where the calculation of the number of Eldorado Shares to be issued to a particular Scheme Shareholder would result in the issue of a fraction of a Eldorado Share, the fractional entitlement will be rounded down to the nearest whole number of New Eldorado Shares.
- (c) If Eldorado is of the opinion, formed reasonably, that several Scheme Shareholders, each of which holds a holding of Sino Gold Shares which results in a fractional entitlement to New Eldorado Shares, have, before the Record Date, been party to a shareholding splitting or division in an attempt to obtain an advantage by reference to the rounding provided for in the calculation of each Scheme Shareholder's entitlement to the Scheme Consideration, Eldorado may direct Sino Gold to give notice to those Scheme Shareholders:
- (1) setting out the names and registered addresses of all of them;
 - (2) stating that opinion; and
 - (3) attributing to one of them specifically identified in the notice the Sino Gold Shares held by all of them,

and, after the notice has been so given, the Scheme Shareholder specifically identified in the notice shall, for the purposes of the Scheme, be taken to hold all those Sino Gold Shares and each of the other Scheme Shareholders whose names are set out in the notice shall, for the purposes of the Scheme, be taken to hold no Sino Gold Shares.

- (d) A Scheme Shareholder (other than an Ineligible Foreign Shareholder) will be entitled to elect to receive, as consideration for the transfer of its Scheme Shares under this Scheme, New Eldorado Shares instead of New Eldorado Shares in the form of CDIs. In the absence of such an election, a Scheme Shareholder (other than an Ineligible Foreign Shareholder) will receive New Eldorado Shares in the form of CDIs.

4.4 Ineligible Foreign Shareholders

Eldorado has no obligation to allot or issue New Eldorado Shares or CDIs to an Ineligible Foreign Shareholder under the Scheme and, instead, must procure that New Eldorado Shares are issued to the Sale Agent for the account of the Ineligible Foreign Shareholder and are dealt with in accordance with the Scheme. Any New Eldorado Shares to be sold under the Sale Facility will be issued for the account of and will be held by the Sale Agent as nominee in trust for the Scheme Shareholder who is the beneficial owner thereof.

4.5 Shares to rank equally

Eldorado covenants in favour of Sino Gold (in its own right and on behalf of the Scheme Shareholders) that:

- (a) the New Eldorado Shares will rank equally in all respects with all existing Eldorado Shares; and
- (b) on issue each New Eldorado Share will be fully paid and free from any mortgage, charge, lien, encumbrance or other security interest.

Freehills

4 Transaction steps

4.6 Option Scheme

- (a) Sino Gold must propose a creditors' scheme of arrangement between itself and each Scheme Optionholder under which all outstanding Scheme Options will be cancelled and each Sino Gold Optionholder will be entitled to receive the Option Consideration.
- (b) Eldorado will execute the Option Deed Poll in which it undertakes in favour of each Scheme Optionholder that it will, subject to the Scheme and the Option Scheme becoming Effective and subject also to clause 4.10, pay the consideration under the Option Scheme to each Scheme Optionholder.
- (c) The Option Scheme will be conditional on:
 - (1) the ASX granting a waiver from rule 6.23 of the Listing Rules in relation to the Option Scheme or Sino Gold Shareholders giving any necessary approvals under rule 6.23 of the Listing Rules in relation to the Option Scheme; and
 - (2) the Scheme becoming Effective.

The conditions in clause 4.6(c) cannot be waived.

4.7 No amendment to the Option Scheme without consent

Sino Gold must not consent to any modification of, or amendment to, or the making or imposition by the Court of any condition in respect of, the Option Scheme without the prior written consent of Eldorado.

4.8 Option Consideration

- (a) Subject to clause 4.8(b) and clause 4.8(c), Eldorado undertakes and warrants to Sino Gold that in consideration for the cancellation of the Sino Gold Options held by a Scheme Optionholder under the terms of the Option Scheme, on the Implementation Date Eldorado will provide to each Scheme Optionholder the Option Consideration for each Scheme Option.
- (b) Where the calculation of the number of Eldorado Shares to be issued to a particular Scheme Optionholder would result in the issue of a fraction of a Eldorado Share, the fractional entitlement will be rounded down to the nearest whole number of New Eldorado Shares.
- (c) If Eldorado is of the opinion, formed reasonably, that several Scheme Optionholders, each of which holds a holding of Sino Gold Options which results in a fractional entitlement to New Eldorado Shares, have, before 5.00pm on the fifth Business Day after the date on which the Option Scheme comes into effect under section 411(10) of the Corporations Act, been party to a optionholding splitting or division in an attempt to obtain an advantage by reference to the rounding provided for in the calculation of each Scheme Optionholder's entitlement to the Option Consideration, Eldorado may direct Sino Gold to give notice to those Scheme Optionholders:
 - (1) setting out the names and registered addresses of all of them;
 - (2) stating that opinion; and

Annexure C

Scheme Implementation Deed

Freehills

5 Implementation

- (3) attributing to one of them specifically identified in the notice the Sino Gold Options held by all of them,

and, after the notice has been so given, the Scheme Optionholder specifically identified in the notice shall, for the purposes of the Option Scheme, be taken to hold all those Sino Gold Options and each of the other Scheme Optionholders whose names are set out in the notice shall, for the purposes of the Option Scheme, be taken to hold no Sino Gold Options.

- (d) A Scheme Optionholder (other than an Ineligible Foreign Optionholder) will be entitled to elect to receive, as consideration for the transfer of its Scheme Options under this Scheme, New Eldorado Shares instead of New Eldorado Shares in the form of CDIs. In the absence of such an election, a Scheme Optionholder (other than an Ineligible Foreign Optionholder) will receive New Eldorado Shares in the form of CDIs.

4.9 ASX Waiver

- (a) As soon as reasonably practicable after the date of this Deed, Sino Gold must use its reasonable endeavours to procure that the ASX grants a waiver from rule 6.23 of the Listing Rules in respect of the Option Scheme.
- (b) If the waiver referred to in clause 4.9(a):
- (1) is obtained on or before the date on which the Regulator's Draft is given to ASIC, but is subject to one or more conditions that are not reasonably satisfactory to Eldorado; or
 - (2) is not obtained on or before the date on which the Regulator's Draft is given to ASIC, Sino Gold agrees to seek any approvals that are required from the Sino Gold Shareholders under rule 6.23 of the Listing Rules in relation to the Option Scheme on the same date on which the meeting or meetings of Sino Gold Optionholders is held.

4.10 Ineligible Foreign Optionholders

Eldorado has no obligation to allot or issue New Eldorado Shares or CDIs to an Ineligible Foreign Optionholder under the Option Scheme and, instead, must procure that New Eldorado Shares are issued to the Sale Agent for the account of the Ineligible Foreign Optionholder and are dealt with in accordance with the Option Scheme. Any New Eldorado Shares to be sold under the Sale Facility will be issued for the account of and will be held by the Sale Agent as nominee in trust for the Scheme Optionholder who is the beneficial owner thereof.

5 Implementation

5.1 Sino Gold's obligations

Sino Gold must take all necessary steps to implement the Scheme as soon as is reasonably practicable and without limiting the foregoing use reasonable endeavours to ensure that each step in the Timetable is met by the relevant date set out beside that step (and must consult with Eldorado on a regular basis about its progress in that regard),

Freehills

5 Implementation

including doing any acts it is authorised and able to do, on behalf of Sino Gold Shareholders, and including each of the following:

- (a) **preparation of Scheme Booklet:** prepare and despatch the Scheme Booklet in accordance with all applicable laws and in particular with the Corporations Act, the Corporations Regulations, RG 60, RG 142 and the Listing Rules;
- (b) **directors' recommendation:** include in the Scheme Booklet a statement by the Sino Gold Board:
 - (1) unanimously recommending that Sino Gold Shareholders (other than Excluded Shareholders) vote in favour of the Scheme in the absence of any Superior Proposal unless there has been a change of recommendation permitted by clause 5.5; and
 - (2) that each Sino Gold Board member will (in the absence of a Superior Proposal) vote, or procure the voting of any Sino Gold Shares (as applicable) held by or on behalf of a Sino Gold Board Member at the time of the Scheme Meeting in favour of the Scheme at the Scheme Meeting;
- (c) **section 411(17)(b) statement:** apply to ASIC for the production of:
 - (1) an indication of intent letter stating that it does not intend to appear before the Court on the First Court Date; and
 - (2) a statement under section 411(17)(b) of the Corporations Act stating that ASIC has no objection to the Scheme;
- (d) **Court direction:** apply to the Court for orders pursuant to section 411(1) of the Corporations Act directing Sino Gold to convene the Scheme Meeting;
- (e) **Scheme Meeting:** convene the Scheme Meeting to agree to the Scheme in accordance with the orders made by the Court pursuant to section 411(1) of the Corporations Act;
- (f) **Court documents:** consult with Eldorado in relation to the content of the documents required for the purpose of each of the Court hearings held for the purpose of sections 411(1) and 411(4)(b) of the Corporations Act in relation to the Scheme (including originating process, affidavits, submissions and draft minutes of Court orders) and consider in good faith, for the purpose of amending drafts of those documents, comments from Eldorado and its Representatives on those documents;
- (g) **Court approval:** (subject to all conditions precedent in clause 3.1, other than the condition relating to Court approval being satisfied or waived in accordance with this Deed) apply to the Court for orders approving the Scheme as agreed to by the Sino Gold Shareholders (other than Excluded Shareholders) at the Scheme Meeting;
- (h) **Certificate:** at the hearing on the Second Court Date provide to the Court a certificate confirming whether or not the conditions precedent in clause 3.1 (other than the conditions in clause 3.1(c) and 3.1(n)) have been satisfied or waived in accordance with this Deed. A draft of such certificate shall be provided by Sino Gold to Eldorado by 4.00 p.m. on the Business Day prior to the Second Court Date;
- (i) **lodge copy of Court order:** lodge with ASIC an office copy of the Court order in accordance with section 411(10) of the Corporations Act approving the Scheme on the day such office copy is received (or such later date as agreed in writing by Eldorado);

Annexure C

Scheme Implementation Deed

Freehills

5 Implementation

- (j) **Scheme Consideration:** close the Sino Gold Share Register as at the Record Date and determine entitlements to the Scheme Consideration in accordance with the Scheme and the Deed Poll;
- (k) **registration:** subject to Eldorado having issued the Scheme Consideration in accordance with the Scheme and Deed Poll, register all transfers of Sino Gold Shares held by Scheme Shareholders to Eldorado Sub on or as soon as practicable after the Implementation Date;
- (l) **consultation with Eldorado in relation to Scheme Booklet:** consult with Eldorado as to the content and presentation of the Scheme Booklet including:
- (1) providing to Eldorado drafts of the Scheme Booklet and the Independent Expert's Report for the purpose of enabling Eldorado to review and comment on those draft documents. In relation to the Independent Expert's Report, Eldorado's review is to be limited to a factual accuracy review;
 - (2) taking all comments made by Eldorado into account in good faith when producing a revised draft of the Scheme Booklet;
 - (3) providing to Eldorado a revised draft of the Scheme Booklet within a reasonable time before the Regulator's Draft is finalised and to enable Eldorado to review the Regulator's Draft before the date of its submission;
 - (4) obtaining written approval from Eldorado for the form and content in which the Eldorado Information appears in the Scheme Booklet; and
 - (5) confirming to Eldorado the accuracy of the Sino Gold Information in the Scheme Booklet;
- (m) **information:** provide all necessary information, or procure that the Sino Gold Registry provides all necessary information, in each case in a form reasonably requested by Eldorado, about the Scheme, the Scheme Shareholders and Sino Gold Shareholders to Eldorado and its Representatives which Eldorado reasonably requires in order to:
- (1) canvass agreement to the Scheme by Sino Gold Shareholders (including the results of directions by Sino Gold to Sino Gold Shareholders under Part 6C.2 of the Corporations Act); or
 - (2) facilitate the provision by, or on behalf of, Eldorado Sub of the Scheme Consideration.
- Sino Gold must comply with any reasonable request of Eldorado for Sino Gold to give directions to Sino Gold Shareholders pursuant to Part 6C.2 of the Corporations Act from time to time for one of the purposes referred to in (1) or (2) above;
- (n) **ASIC and ASX review:** keep Eldorado informed of any matters raised by ASIC or ASX in relation to the Scheme Booklet or the Transaction, and use reasonable endeavours to take into consideration in resolving such matters any issues raised by Eldorado;
- (o) **Independent Expert:** promptly appoint the Independent Expert, and any investigating accountant to be appointed in connection with the preparation of the Scheme Booklet or the Independent Expert's report, and provide all assistance and information reasonably requested by them in connection with the preparation of the Independent Expert's report for inclusion in the Scheme Booklet (including any updates to such report) and any other materials to be prepared by them for inclusion in the Scheme Booklet (including any updates thereto);

Freehills

5 Implementation

- (p) **compliance with laws:** do everything reasonably within its power to ensure that the Transaction is effected in accordance with all laws and regulations applicable in relation to the Transaction (including, without limitation, doing everything reasonably within its powers to ensure the Transaction complies with all applicable securities laws or is otherwise exempt therefrom);
- (q) **Sino Gold Prescribed Occurrence:** ensure that no Sino Gold Prescribed Occurrence occurs between the date of this Deed and 8.00am on the Second Court Date;
- (r) **listing:** not do anything to cause Sino Gold Shares to cease being quoted on the ASX or to become permanently suspended from quotation prior to completion the Transaction unless Eldorado has agreed in writing;
- (s) **delivery of due diligence:** Sino Gold will make available promptly to Eldorado the Sino Gold Diligence Materials; and
- (t) **merged co-information:** Sino Gold will prepare and promptly provide to Eldorado any information regarding the Sino Gold Group which Eldorado reasonably requires in order to prepare the information regarding the merged Sino Gold–Eldorado entity following implementation of the Scheme for inclusion in the Scheme Booklet.

5.2 Eldorado's obligations

Eldorado must take all necessary steps to implement the Scheme as soon as is reasonably practicable and without limiting the foregoing use reasonable endeavours to ensure that each step in the Timetable is met by the date set out beside that step (and consult with Sino Gold on a regular basis about its progress in that regard), including doing each of the following:

- (a) **Eldorado Information:** prepare and promptly provide to Sino Gold the Eldorado Information for inclusion in the Scheme Booklet, including all information regarding the Eldorado Group, the merged Sino Gold–Eldorado entity following implementation of the Scheme, and the Scheme Consideration required by all applicable laws and in particular by the Corporations Act, the Corporations Regulations, RG60, RG142 and the Listing Rules, and consent to the inclusion of that information (other than any information provided by Sino Gold to Eldorado or obtained from Sino Gold's public filings on ASX regarding the Sino Gold Group contained in, or used in the preparation of, the information regarding the merged Sino Gold–Eldorado entity following implementation of the Scheme) in the Scheme Booklet;
- (b) **review of Scheme Booklet:** review the drafts of the Scheme Booklet prepared by Sino Gold and provide comments promptly on those drafts in good faith;
- (c) **Independent Expert's report:** subject to the Independent Expert entering into arrangements with Eldorado including in relation to confidentiality in a form reasonably acceptable to Eldorado, provide any assistance or information reasonably requested by Sino Gold or by the Independent Expert in connection with the preparation of the Independent Expert's report to be sent together with the Scheme Booklet;
- (d) **representation:** procure that it is represented by counsel at the Court hearing convened for the purposes of section 411(4)(b) of the Corporations Act, at which, through its counsel, Eldorado will undertake (if requested by the Court) to do all such things and take all such steps within its power as are necessary in order to ensure the fulfilment of its obligations under this Deed and the Scheme;

Annexure C

Scheme Implementation Deed

Freehills

5 Implementation

- (e) **Deed Poll:** on the Business Day prior to the First Court Date, enter into the Deed Poll and procure that Eldorado Sub will enter into the Deed Poll;
- (f) **accuracy of Eldorado Information:** confirm to Sino Gold the accuracy of the Eldorado Information in the Scheme Booklet (other than any information regarding the Sino Gold Group contained in, or used in the preparation of, the information regarding the merged Sino Gold–Eldorado entity following implementation of the Scheme);
- (g) **Share transfer:** if the Scheme becomes Effective, accept, or will procure that Eldorado Sub will accept, a transfer of the Scheme Shares as contemplated by clause 4.3(a)(1);
- (h) **compliance with laws:** do everything reasonably within its power to ensure that the Transaction is effected in accordance with all laws and regulations applicable in relation to the Transaction (including, without limitation, doing everything reasonably within its powers to ensure the Transaction complies with all applicable securities laws or is otherwise exempt therefrom);
- (i) **Eldorado Scheme Consideration:** if the Scheme becomes Effective, procure the provision of, by or on behalf of, Eldorado Sub, the Scheme Consideration in the manner and amount contemplated by clause 4 and the terms of the Scheme;
- (j) **Eldorado Prescribed Occurrence:** ensure that no Eldorado Prescribed Occurrence occurs between the date of this Deed and 8.00am on the Second Court Date;
- (k) **delivery of due diligence:** make available promptly to Sino Gold the Eldorado Diligence Materials; and
- (l) **share sale facility:** subject to complying with all applicable Canadian and US securities law requirements and all applicable Canadian and US regulatory requirements and subject to obtaining advice that it is permitted by applicable law and regulation without the need to prepare a Canadian prospectus (or equivalent document), which advice Eldorado must promptly ask its advisers to provide, procure that a share sale facility (on the key terms set out in Annexure 5) is made available provided that its use must not affect the availability of exemptions for the issuance of the New Eldorado Shares in connection with the Scheme under applicable securities laws.

5.3 Conduct of business

- (a) Subject to clause 5.3(b) and 5.3(c), from the date of this Deed up to and including the Implementation Date, and without limiting any other obligations of Sino Gold under this Deed, Sino Gold must:
 - (1) conduct its businesses, and must cause each of its subsidiaries to conduct their respective businesses, in the ordinary and usual course generally consistent with the manner in which each such business and operations have been conducted in the 12 month period prior to the date of this Deed,
 - (2) keep Eldorado informed of the conduct of business, and
 - (3) not, and must ensure that each member of the Sino Gold Group must not, enter into or materially amend any employment, consulting, severance or similar agreement or arrangement with officers, directors, other executives or employees of Sino Gold or a Sino Gold

Freehills

5 Implementation

Group Member, accelerate or otherwise materially increase compensation or benefits for any of the above, in each case other than pursuant to:

- (A) contractual arrangements in effect on the date of this Deed and which have been disclosed in writing to Eldorado prior to the date of this Deed; or
 - (B) Sino Gold's policies and guidelines in effect on the date of this Deed and which have been disclosed in writing to Eldorado prior to the date of this Deed;
- (4) not, and must ensure that each member of the Sino Gold Group must not, pay any of its directors or employees a termination or retention payment, other than in accordance with contractual arrangements in effect on the date of this Deed and which have been disclosed in writing to Eldorado prior to the date of this Deed;
- (5) not, and must ensure that each member of the Sino Gold Group must not, waive any non-compete rights against Sino Gold Group executives;
- (6) not, and must ensure that each member of the Sino Gold Group must not, enter into any enterprise bargaining agreement or industrial instrument other than in the ordinary course of business or pursuant to contractual arrangements in effect on the date of this Deed and which have been disclosed in writing to Eldorado prior to the date of this Deed;
- (7) make all reasonable efforts to:
- (A) keep available the services of their directors, officers and employees;
 - (B) maintain and preserve their relationships with Government Agencies, customers, suppliers, licensors, licensees and others having business dealings with Sino Gold and any subsidiary of Sino Gold (including, using reasonable endeavours to obtain consents from Third Parties to any change of control provisions which Eldorado reasonably requests in contracts or arrangements to which a member of the Sino Gold Group is a party); and
 - (C) not enter into any lines of business or other activities in which Sino Gold and its subsidiaries are not engaged as of the date of this Deed.
- (b) Nothing in clause 5.1(a) restricts the ability of Sino Gold to take any action which:
- (1) is required by this Deed or the Scheme;
 - (2) has been fully and fairly disclosed in (a) the information provided by or on behalf of Sino Gold to Eldorado or its Related Bodies Corporate or their respective Representatives in the course of their due diligence investigations in relation to the Sino Gold Group prior to the date of this Deed; (b) the Sino Gold Disclosure Letter; or (c) any announcement by the Sino Gold to the ASX prior to the date of this Deed; or
 - (3) has been agreed to in writing by Eldorado,

Annexure C

Scheme Implementation Deed

Freehills

5 Implementation

- (c) For the avoidance of doubt, nothing in this section 5.3 restricts the ability of Sino Gold to respond to a Third Party Transaction in accordance with clause 11.

5.4 Appointment of directors

Sino Gold must, as soon as practicable:

- (a) after the Second Court Date (provided the Scheme is approved by the Court), take all actions necessary to cause the appointment of such number of nominees of Eldorado to the Sino Gold Board (such number shall not be less than three) and all other actions, which gives those nominees, acting together, control of at least half the votes that may be cast at a meeting of the Sino Gold Board;
- (b) on the Implementation Date, ensure that all directors on the Sino Gold Board (other than the Eldorado's nominees appointed pursuant to clause 5.4(a)), and two existing members of the Sino Gold Board nominated by Eldorado, resign and release Sino Gold from any claims they may have against Sino Gold; and
- (c) on the Implementation Date, take all actions to ensure that all directors on the boards of each Sino Gold Group member (other than the nominees of the Eldorado appointed pursuant to clause 5.4(a) and other than the two existing members of the Sino Gold Board referred to in clause 5.4(b)) resign and to cause the appointment of nominees of Eldorado to those boards.

Eldorado must, on or before the Implementation Date, invite two existing Sino Gold directors of Eldorado's choice to join the board of Eldorado (conditional on the Scheme becoming Effective) and, subject to one or both of those individuals agreeing to become directors of Eldorado and meeting the regulatory requirements for a director set out in the CBCA, applicable securities laws and the rules of the TSX, such individual or individuals shall be appointed, by Eldorado board resolution, to the Eldorado board.

Sino Gold acknowledges that Sino Gold intends, in respect of all persons who were directors and officers of Sino Gold immediately prior to the Scheme becoming Effective, to prepay directors and officers liability insurance for their benefit for a period of 7 years from their retirement, the cost of which prepayment will not exceed A\$200,000. Sino Gold

5.5 Sino Gold Board recommendation

- (a) Subject to clause 5.5(b), the Sino Gold Board must unanimously recommend that Sino Gold Shareholders (other than Excluded Shareholders) vote in favour of:
- (1) the Scheme in the absence of a Superior Proposal; and
 - (2) all of the resolutions in the Scheme Booklet,
- at the Scheme Meeting and the Scheme Booklet must include a statement by the Sino Gold Board to that effect.
- (b) The Sino Gold Board collectively, and the members of the Sino Gold Board individually, must not change, withdraw or modify its, his or her recommendation in favour of the Scheme unless:
- (1) the Independent Expert provides a report to Sino Gold which concludes that the Share Scheme is not in the best interests of Scheme Shareholders; or
 - (2) Sino Gold has received, other than as a result of a breach of clause 11, a proposal which is a Superior Proposal;

Freehills

5 Implementation

(3) the Sino Gold Board has obtained written financial advice from its Financial Advisors and written legal advice from its legal advisers that the Sino Gold Board, by virtue of the directors' duties of the members of the Board, is required to change, withdraw or modify its recommendation; or

(4) an event in clause 12.2(a)(1), (2) or (3) occurs,

provided also that the Sino Gold Board has complied with its obligations under clause 11.

For the purposes of this clause, customary qualifications and explanations contained in the Scheme Booklet in relation to a recommendation to vote in favour of the Share Scheme to the effect that the recommendation is made in the absence of a superior proposal from a third party will not be regarded as a failure to make or withdraw the making of a recommendation in favour of the Scheme.

(c) If the Sino Gold Board proposes to change its recommendation in accordance with clause 5.5(b)(3):

(1) the Sino Gold Board must notify Eldorado in writing immediately if it is proposing to announce a change, withdrawal or modification of recommendation that it intends to change, withdraw or modify its recommendation and it must at the same time provide a copy of the legal advice referred to clause 5.5(b)(3); and

(2) the parties must consult in good faith for 5 Business Days after the date on which the notification in clause 5.5(c)(1) is given to consider and determine whether the recommendation in place at that time can be maintained. For the avoidance of doubt, that recommendation cannot be changed, withdrawn or modified in accordance with clause 5.5(b)(3) until the end of that consultation period.

5.6 Conduct of Court proceedings

- (a) Sino Gold and Eldorado are entitled to separate representation at all Court proceedings affecting the Transaction.
- (b) This Deed does not give Sino Gold or Eldorado any right or power to give undertakings to the Court for or on behalf of the other party without that party's written consent.
- (c) Sino Gold and Eldorado must give all undertakings to the Court in all Court proceedings which are reasonably required to obtain Court approval and confirmation of the Transaction as contemplated by this Deed.

5.7 Use of Sino Gold Information

The provisions in this Deed relating to the provision and content of Eldorado Information by Eldorado to Sino Gold in relation to the preparation of the Scheme Booklet shall apply *mutatis mutandis* in relation to the provision and content of information regarding the Sino Gold Group by Sino Gold to Eldorado in relation to any disclosure document that is required to be prepared by Eldorado in furtherance of Eldorado's obligation under the Deed.

Annexure C

Scheme Implementation Deed

Freehills

6 Integration

5.8 Responsibility statement

The Scheme Booklet will contain a responsibility statement to the effect that:

- (a) Eldorado is responsible for the Eldorado Information (other than any information provided by Sino Gold to Eldorado or obtained from Sino Gold's public filings on ASX regarding the Sino Gold Group contained in, or used in the preparation of, the information regarding the merged Sino Gold–Eldorado entity following implementation of the Scheme) contained in the Scheme Booklet; and
- (b) Sino Gold is responsible for the Sino Gold Information contained in the Scheme Booklet and is also responsible for the information contained in the Scheme Booklet provided by Sino Gold to Eldorado or obtained from Sino Gold's public filings on ASX regarding the Sino Gold Group contained in, or used in the preparation of, the information regarding the merged Sino Gold–Eldorado entity following implementation of the Scheme.

6 Integration

- (a) Between the date of this Deed and the Implementation Date, Sino Gold must, and must cause each of its subsidiaries to, afford to Eldorado and its Representatives reasonable access to information (subject to any existing confidentiality obligations owed to third parties), premises or such senior executives of any member of the Sino Gold Group or any entity Sino Gold manages as reasonably requested by Eldorado at mutually convenient times and afford Eldorado reasonable co-operation for the sole purpose of:
 - (1) implementation of the Scheme, provided that nothing in this sub-clause will require Sino Gold to provide information to Eldorado concerning Sino Gold's directors and management's consideration of the Scheme or any actual or potential Third Party Transaction; and
 - (2) any other purpose agreed between the parties,
 provided that:
 - (3) such requests by Eldorado do not result in unreasonable disruptions to Sino Gold Group's business; and
 - (4) Sino Gold may provide to Eldorado its records at a place other than Sino Gold's business premises.
- (b) Sino Gold must provide, and must cause each of its subsidiaries to provide, Eldorado, its Representatives and any investigating accountant with reasonable access (at times mutually agreeable to the parties) to Sino Gold's auditors, accountants, books and records (including financial reports, audited or otherwise) for the purpose of preparation of the financial statements (including for the merged Sino Gold–Eldorado entity, if any) for inclusion in the Scheme Booklet or any investigating accountant's report (and any updates).

Freehills

7 Representations and warranties

7 Representations and warranties

7.1 Eldorado's representations and warranties

Eldorado represents and warrants to Sino Gold (in its own right and separately as trustee or nominee for each of the other Sino Gold Indemnified Parties) each of the Eldorado Representations and Warranties.

7.2 Eldorado's indemnity

Eldorado agrees with Sino Gold (in its own right and separately as trustee or nominee for each of the other Sino Gold Indemnified Parties) to indemnify the Sino Gold Indemnified Parties against any claim, action, damage, loss, liability, cost, expense or payment of whatever nature and however arising which Sino Gold or any of the other Sino Gold Indemnified Parties suffers, incurs or is liable for arising out of any breach of any of the Eldorado Representations and Warranties.

7.3 Qualifications on Eldorado Warranties

The Eldorado Representations and Warranties under clause 7.1 and Schedule 1 and indemnity under clause 7.2 are subject to matters which have been fully and fairly disclosed in:

- (a) the information provided by or on behalf of Eldorado to Sino Gold or its Related Bodies Corporate or their respective Representatives in the course of their due diligence investigations in relation to the Eldorado Group prior to the entry into this Deed;
- (b) Eldorado's public filings on SEDAR or EDGAR prior to entry into this Deed; and
- (c) the Eldorado Disclosure Letter.

7.4 Sino Gold's representations and warranties

Sino Gold represents and warrants to Eldorado (in its own right and separately as trustee or nominee for each of the other Eldorado Indemnified Parties) each of the Sino Gold Representations and Warranties.

7.5 Sino Gold's indemnity

Sino Gold agrees with Eldorado (in its own right and separately as trustee or nominee for each Eldorado Indemnified Party) to indemnify Eldorado and each of the other Eldorado Indemnified Parties from any claim, action, damage, loss, liability, cost, expense or payment of whatever nature and however arising which Eldorado or any of the other Eldorado Indemnified Parties suffers, incurs or is liable for arising out of any breach of any of the Sino Gold Representations and Warranties.

7.6 Qualifications on Sino Gold Warranties

The Sino Gold Representations and Warranties under 7.4 and Schedule 2 and indemnity under clause 7.5 are subject to matters which have been fully and fairly disclosed in:

- (a) the information provided by or on behalf of Sino Gold to Eldorado or its Related Bodies Corporate or their respective Representatives in the course of their due

Annexure C

Scheme Implementation Deed

Freehills

8 Releases

diligence investigations in relation to the Sino Gold Group prior to the entry into this Deed;

- (b) Sino Gold's public filings on ASX prior to the entry into this Deed; and
- (c) the Sino Gold Disclosure Letter.

7.7 Survival of representations

Each representation and warranty referred to in clauses 7.1 and 7.4:

- (a) is severable; and
- (b) survives the termination of this Deed.

7.8 Survival of indemnities

Each indemnity in this Deed (including those in clauses 7.2 and 7.5):

- (a) is severable;
- (b) is a continuing obligation;
- (c) constitutes a separate and independent obligation of the party giving the indemnity from any other obligations of that party under this Deed; and
- (d) survives the termination of this Deed.

7.9 Timing of representation and warranties

Each representation and warranty made or given under clauses 7.1 or 7.4 is given:

- (a) at the date of this Deed; and
- (b) at 8.00am on the Second Court Date; or

where expressed to be given at a particular time, at that time.

8 Releases

8.1 Sino Gold directors and officers

- (a) Eldorado releases its respective rights, and agrees with Sino Gold that it will not make a claim, against any Sino Gold Indemnified Party as at the date of this Deed in connection with:
 - (1) any breach of any representations, covenants and warranties of Sino Gold or any member of the Sino Gold Group in this Deed; or
 - (2) any disclosures containing any statement which is false or misleading whether in content or by omission,
 except where the Sino Gold Indemnified Party has not acted in good faith or has engaged in wilful misconduct.
- (b) This clause is subject to any Corporations Act restriction and will be read down accordingly. Sino Gold receives and holds the benefit of this clause to the

Freehills

9 Public announcement

extent it relates to each Sino Gold Indemnified Party as trustee for each of them.

8.2 Eldorado directors and officers

- (a) Sino Gold releases its rights, and agrees with Eldorado that it will not make a claim, against any Eldorado Indemnified Party as at the date of this Deed in connection with:
- (1) any breach of any representations, covenants and warranties of Eldorado in this Deed; or
 - (2) any disclosure containing any statement which is false or misleading whether in content or by omission,
- except where the Eldorado Indemnified Party has not acted in good faith or has engaged in wilful misconduct.
- (b) This clause is subject to any statutory restriction and will be read down accordingly. Eldorado receives and holds the benefit of this clause to the extent it relates to each Eldorado Indemnified Party as trustee for each of them.

9 Public announcement

9.1 Announcement of transaction

Immediately after the execution of this Deed, Sino Gold and Eldorado must issue public announcements in a form previously agreed to in writing between them. The Sino Gold announcement must include a unanimous recommendation by the Sino Gold Board to Sino Gold Shareholders (other than Excluded Shareholders) that, in the absence of a Superior Proposal and subject to any negative conclusion in the Independent's Expert's Report, Sino Gold Shareholders (other than Excluded Shareholders) vote in favour of the Scheme and that all the members of the Sino Gold Board will vote (or will procure the voting of) all Director Sino Gold Shares held by or on behalf of a member of the Sino Gold Board.

9.2 Public announcements

Subject to clause 9.3, no public announcement or disclosure of the Transaction or any other transaction the subject of this Deed or the Scheme may be made other than in a form approved by each party (acting reasonably), but each party must use all reasonable endeavours to provide such approval as soon as practicable.

9.3 Required disclosure

Where a party is required by applicable law or the ASX Listing Rules or listing rules of the TSX, HKSE or NYSE or by the TSX, HKSE or NYSE to make any announcement or to make any disclosure in connection with the Transaction or any other transaction the subject of this Deed or the Scheme, it must use reasonable endeavours, to the extent practicable and lawful, to consult with the other party prior to making the relevant disclosure.

Annexure C

Scheme Implementation Deed

Freehills

10 Confidentiality

10 Confidentiality

Despite clause 15 of each Confidentiality Letter, Sino Gold and Eldorado acknowledge and agree that they continue to be bound by the Confidentiality Letter after the date of this Deed. The rights and obligations of the parties under the Confidentiality Letter survive termination of this Deed.

11 Exclusivity

11.1 No-talk

Subject to clause 11.3, during the No-Talk Period, Sino Gold must not, and must ensure that none of its Representatives, subsidiaries and none of their Representatives (including for the avoidance of doubt any Financial Advisors):

- (a) directly or indirectly participate in or continue any discussions or negotiations;
- (b) provide or make available any information (including by way of providing information and access to perform due diligence on the Sino Gold Group);
- (c) enter into any agreement, arrangement or understanding (whether or not in writing and whether or not legally binding); or
- (d) communicate any intention to do any of the things referred to in clauses 11.1(a), 11.1(b) or 11.1(c),

in relation to, or which may reasonably be expected to lead to, a Third Party Transaction or which might otherwise lead to the Transaction not completing.

11.2 No-shop

During the No-Shop Period, Sino Gold must not, and must ensure that none of its Representatives, subsidiaries and none of their Representatives (including for the avoidance of doubt any Financial Advisors):

- (a) directly or indirectly solicit (including by way of providing information concerning the Sino Gold Group to any person) or invite, enquiries, discussions or proposals in relation to, or which may reasonably be expected to lead to, a Third Party Transaction; or
- (b) communicate to any person an intention to do any of the things referred to in clause 11.2(a).

11.3 Limitation to No-talk

- (a) Sino Gold, its Representatives, its subsidiaries and their Representatives (including for the avoidance of doubt any Financial Advisors) may undertake any action that would otherwise be prohibited by clause 11.1 in relation to a bona fide Third Party Transaction of the kind referred to in either paragraph 1, 3 or 4 of the definition of Third Party Proposal which was not solicited by it and was not otherwise brought about as a result of any breach by it of its obligations under clause 11.2, where:

Freehills

11 Exclusivity

- (1) the Board of Sino Gold, acting in good faith, reasonably determines after having taken written advice from its legal advisors that not undertaking that act would be likely to constitute a breach of the directors' duties owed by any director or would otherwise be likely to be unlawful; or
 - (2) the Board of Sino Gold, acting in good faith, determines after taking written advice from its Financial Advisors and legal advisors that the Third Party Transaction is or is likely to be:
 - (A) reasonably capable of being valued and completed on a timely basis, taking into account all aspects of the Third Party Transaction and the person making it, including without limitation having regard to legal, regulatory and financial matters and any conditions precedent; and
 - (B) more favourable to Sino Gold Shareholders (other than the Excluded Shareholders) than the Scheme, taking into account all the terms and conditions of the Third Party Transaction.
- (b) Prior to undertaking an act otherwise prohibited by clause 11.1 in reliance on clause 11.3(a), Sino Gold must:
- (1) obtain, and provide Eldorado with a copy of, the written legal advice referred to in clause 11.3(a)(1); and
 - (2) not, and ensure that none of its Representatives, undertake any such prohibited act until the end of the next Business Day after the date of the provision to Eldorado of the written legal advice referred to in clause 11.3(a)(1).

11.4 Notification of approaches

During the No-Shop Period, Sino Gold must notify Eldorado immediately in writing if it, its Representatives or any of its subsidiaries or any of their Representatives becomes aware of any:

- (a) approach or attempt to initiate any negotiations or discussions, or intention to make such an approach or attempt to initiate any negotiations or discussions in respect of any expression of interest, offer or proposal of a kind referred to in clause 11.1 or 11.2 (which, for the avoidance of doubt, will not require notification of any details of the party making the expression of interest, offer or proposal, their terms or any updates to the expression of interest, offer or proposal);
- (b) proposal whether written or otherwise made to Sino Gold, its Representatives or any of its subsidiaries or their Representatives, in connection with, or in respect of any exploration or consummation of, a Third Party Transaction or a proposed or potential Third Party Transaction, whether unsolicited or otherwise (which, for the avoidance of doubt, will not require notification of any details of the party making the proposal, the terms of the proposal or any updates to the proposal); and
- (c) provision by Sino Gold, its Representatives, its subsidiaries or their Representatives of any information relating to Sino Gold or any of its subsidiaries or any of their businesses or operations to any person in

Annexure C

Scheme Implementation Deed

Freehills

11 Exclusivity

connection with or for the purposes of a current or future Third Party Transaction; or

- (d) action by Sino Gold, in reliance on clause 11.3.

11.5 Response to a Third Party Transaction

Subject always to the other provisions of this clause 11, Sino Gold must not:

- (a) enter into any legally binding agreement, arrangement or understanding (whether or not in writing) to undertake a Third Party Transaction; or
- (b) change its recommendation in favour of the Transaction or publicly recommend a Third Party Transaction,

unless Sino Gold has provided Eldorado with:

- (c) the identity of the relevant Third Party;
- (d) the material terms of the proposed Third Party Transaction; and
- (e) any material due diligence information provided to the relevant Third Party that has not either been publicly disclosed or previously provided to the Eldorado, and

Sino Gold has given Eldorado not less than 5 Business Days after provision of those terms to provide a matching or superior deal to the Third Party Transaction.

11.6 Compliance with law

- (a) If it is finally determined by the court, or the Takeovers Panel, that the agreement by the parties under this clause 11 or any part of it:
- (1) constituted, or constitutes, or would constitute, a breach of the fiduciary or statutory duties of the members of the Sino Gold Board; or
 - (2) constituted, or constitutes, or would constitute, unacceptable circumstances within the meaning of the Corporations Act; or
 - (3) was, or is, or would be, unlawful for any other reason,
- then, to that extent (and only to that extent) Sino Gold will not be obliged to comply with that provision of clause 11.
- (b) The parties must not make or cause or permit to be made, any application to a court or the Takeovers Panel for or in relation to a determination referred to in clause 11.6(a).

11.7 Warranty and representation

Sino Gold represents and warrants to Eldorado that, as at the date of this Deed, no agreement, arrangement or understanding (whether or not legally binding and whether or not in writing) exists in relation to any expression of interest, offer or proposal of the kind referred to in clause 11.1 or 11.2.

Freehills

12 Reimbursement Fees

12 Reimbursement Fees

12.1 Background to Sino Gold Reimbursement Fee

- (a) Each party acknowledges that, if they enter into this Deed and the Scheme is subsequently not implemented, Eldorado will incur significant costs, including significant opportunity costs.
- (b) In the circumstances referred to in clause 12.1(a), Eldorado has requested provision be made for the payment outlined in clause 12.2, without which Eldorado would not have entered into this Deed or otherwise agreed to implement the Scheme.
- (c) Sino Gold confirms that the Sino Gold Board has acknowledged that:
 - (1) it has received legal advice in relation to this Deed and the operation of this clause 12;
 - (2) it believes the implementation of the Scheme will provide significant benefits to Sino Gold and Sino Gold Shareholders, such that it is reasonable and appropriate for Sino Gold to agree to the Sino Gold Reimbursement Fee in order to secure Eldorado's participation in the Transaction; and
 - (3) the Sino Gold Reimbursement Fee represents a genuine and reasonable estimate of cost and loss that would be suffered by Eldorado if this Deed was entered into and the Scheme is subsequently not implemented.

12.2 Payment of the Sino Gold Reimbursement Fee

Subject to clause 12.5, Sino Gold must pay the Sino Gold Reimbursement Fee to Eldorado, without set-off or withholding, if:

- (a) prior to the earlier of the Effective Date or the End Date, any member of the Sino Gold Board withdraws or adversely modifies his or her support of the Scheme or his or her recommendation that Sino Gold Shareholders (other than Excluded Shareholders) vote in favour of the Scheme, or makes a public statement indicating that they no longer support the Scheme or that they support a Third Party Transaction, other than as a result of:
 - (1) the first report of the Independent Expert (but not subsequent reports or updates to that report) to Sino Gold concluding that the Share Scheme is not in the best interests of Scheme Shareholders (other than as a result of a Third Party Transaction);
 - (2) any matter or thing giving Sino Gold the right to terminate under clause 13.1(a)(1), 13.1(c)(1), 13.1(c)(2), or 13.2(b); or
 - (3) failure of a condition precedent in clause 3.1, other than as a result of a breach by Sino Gold of clause 3.2;
- (b) a Fee Trigger Event occurs; or

Annexure C

Scheme Implementation Deed

Freehills

12 Reimbursement Fees

- (c) Eldorado has terminated this Deed pursuant to clause 13.1(a)(1), 13.1(b)(1), 13.1(b)(2) or 13.2(a) and the Transaction does not complete.

12.3 Eldorado written demand

Sino Gold must pay the Sino Gold Reimbursement Fee to Eldorado within 10 Business Days after receiving a written demand from Eldorado. The demand for payment of the Sino Gold Reimbursement Fee can only be made after the occurrence of an event referred to in clause 12.2. Sino Gold is only liable to pay the Sino Gold Reimbursement Fee once.

12.4 Nature of payment

The amount payable by Sino Gold under clause 12.2 is an amount to compensate Eldorado for:

- (a) advisory costs (including costs of advisors other than success fees);
- (b) costs of management and directors' time;
- (c) out-of-pocket expenses; and
- (d) reasonable opportunity costs incurred by Eldorado in pursuing the Scheme or in not pursuing other alternative acquisitions or strategic initiatives which Eldorado could have developed to further its business and objectives.

12.5 Compliance with law

- (a) No amount shall be payable by Sino Gold under clause 12.2 if the Share Scheme becomes Effective, notwithstanding the occurrence of any event in clause 12.2. To the extent that any amounts have already been paid under this clause 12.2 and the Share Scheme becomes Effective, such amounts shall be immediately refunded to Sino Gold.
- (b) This clause 12 does not impose an obligation on Sino Gold to pay the Sino Gold Reimbursement Fee to the extent (and only to the extent) that the obligation to pay the respective fee:
 - (1) constitutes unacceptable circumstances as declared by the Takeovers Panel; or
 - (2) is held to be unenforceable by one party against another as determined by a court,

after all proper avenues of appeal and review, whether judicial or otherwise, have been exhausted. The parties must take all reasonable steps to ensure that any such determination applies to the minimum extent possible.
- (c) The parties must not make or cause or permit to be made, any application to a court or the Takeovers Panel for or in relation to a determination referred to in clause 12.5(b).

Freehills

12 Reimbursement Fees

12.6 Other claims

Where an amount becomes payable to Eldorado under clause 12.2 and is actually paid to Eldorado (or is payable, but no demand is made under clause 12.3), Eldorado cannot make any claim against Sino Gold or the Sino Gold Indemnified Parties in relation to any event or occurrence under any other provision of this Deed, except a claim in relation to a breach of clause 11. For the avoidance of doubt, the amount of any loss or damage caused in relation to a breach of clause 11 shall be reduced by the amount paid to the Eldorado under clause 12.2.

12.7 Background to Eldorado Reimbursement Fee

- (a) Each party acknowledges that, if they enter into this Deed and the Scheme is subsequently not implemented, Sino Gold will incur significant costs, including significant opportunity costs.
- (b) In the circumstances referred to in clause 12.7(a), Sino Gold has requested provision be made for the payment outlined in this clause 12.7, without which Sino Gold would not have entered into this Deed or otherwise agreed to implement the Scheme.
- (c) Eldorado confirms that the Eldorado Board has acknowledged that:
 - (1) it has received legal advice in relation to this Deed and the operation of this clause 12;
 - (2) it believes the implementation of the Scheme will provide significant benefits to Eldorado and Eldorado shareholders, such that it is reasonable and appropriate for Eldorado to agree to the Eldorado Reimbursement Fee in order to secure Sino Gold's participation in the Transaction; and
 - (3) the Eldorado Reimbursement Fee represents a genuine and reasonable estimate of cost and loss that would be suffered by Sino Gold if this Deed was entered into and the Scheme is subsequently not implemented.

12.8 Payment of the Eldorado Reimbursement Fee

Subject to clause 12.11, Eldorado must pay the Eldorado Reimbursement Fee to Sino Gold, without set-off or withholding, if Sino Gold has terminated this Deed pursuant to clause 13.1(a)(1), 13.1(c)(1), 13.1(c)(2) or 13.2(b) and the Transaction does not complete.

12.9 Sino Gold written demand

Eldorado must pay the Eldorado Reimbursement Fee to Sino Gold within 10 Business Days after receiving a written demand from Sino Gold. The demand for payment of the Eldorado Reimbursement Fee can only be made after the occurrence of an event referred to in clause 12.8. Eldorado is only liable to pay the Eldorado Reimbursement Fee once.

Annexure C

Scheme Implementation Deed

Freehills

12 Reimbursement Fees

12.10 Nature of payment

The amount payable by Eldorado under clause 12.8 is an amount to compensate Sino Gold for:

- (a) advisory costs (including costs of advisors other than success fees);
- (b) costs of management and directors' time;
- (c) out-of-pocket expenses; and
- (d) reasonable opportunity costs incurred by Sino Gold in pursuing the Scheme or in not pursuing other alternative acquisitions or strategic initiatives which Sino Gold could have developed to further its business and objectives.

12.11 Compliance with law

- (a) No amount shall be payable by Eldorado under clause 12.8 if the Share Scheme becomes Effective, notwithstanding the occurrence of any event in clause 12.8. To the extent that any amounts have already been paid under this clause 12.8 and the Share Scheme becomes Effective, such amounts shall be immediately refunded to Eldorado.
- (b) This clause 12 does not impose an obligation on Eldorado to pay the Eldorado Reimbursement Fee to the extent (and only to the extent) that the obligation to pay the respective fee:
 - (1) constitutes unacceptable circumstances as declared by the Takeovers Panel; or
 - (2) is held to be unenforceable by one party against another as determined by a court,

after all proper avenues of appeal and review, whether judicial or otherwise, have been exhausted. The parties must take all reasonable steps to ensure that any such determination applies to the minimum extent possible.
- (c) The parties must not make or cause or permit to be made, any application to a court or the Takeovers Panel for or in relation to a determination referred to in clause 12.11(b).

12.12 Other claims

Where an amount becomes payable to Sino Gold under clause 12.8 and is actually paid to Sino Gold (or as payable, but no demand is made under clause 12.9), Sino Gold cannot make any claim against Eldorado or the Eldorado Indemnified Parties in relation to any event or occurrence under any other provision of this Deed.

Freehills

13 Termination

13 Termination**13.1 Termination**

- (a) Without prejudice to any other rights of termination under this Deed, either party may terminate this Deed by written notice to the other party:
- (1) other than in respect of a breach of either a Eldorado Representation and Warranty or a Sino Gold Representation and Warranty which are dealt with in clause 13.2, at any time before 8.00am on the Second Court Date if the other party has materially breached any provision of this Deed, the party wishing to terminate has given written notice to the other party in a timely manner setting out the relevant circumstances and stating an intention to terminate this Deed, and the relevant circumstances continue to exist for 10 Business Days (or any shorter period ending at 5.00pm on the day before the Second Court Date) from the time the notice is given;
 - (2) at any time before 8.00am on the Second Court Date if a Court or Government Agency has taken any action permanently restraining or otherwise prohibiting the Transaction, or has refused to do any thing necessary to permit the Transaction, and the action or refusal has become final and cannot be appealed;
 - (3) in the circumstances set out in, and in accordance with, clause 3.4; or
 - (4) the Sino Gold Board or a majority of the Sino Gold Board has changed, withdrawn or modified their recommendation as permitted under clause 5.5, and, if Sino Gold is terminating this Deed, Sino Gold has paid Eldorado the Sino Gold Reimbursement Fee (unless an exception in clause 12.2(a)(1), 12.2(a)(2), or 12.2(a)(3) applies).
- (b) Eldorado may terminate this Deed by written notice to Sino Gold if:
- (1) an Sino Gold Material Adverse Change occurs prior to 8.00am on the Second Court Date; or
 - (2) an Sino Gold Prescribed Occurrence occurs prior to 8.00am on the Second Court Date.
- (c) Sino Gold may terminate this Deed by written notice to Eldorado if:
- (1) a Eldorado Material Adverse Change occurs prior to 8.00am on the Second Court Date; or
 - (2) a Eldorado Prescribed Occurrence occurs prior to 8.00am on the Second Court Date.

13.2 Breach of representations and warranties

Despite any other term of this Deed, prior to 8.00am on the Second Court Date:

- (a) Eldorado may terminate this Deed for breach of a Sino Gold Representation and Warranty, or rely on the condition in clause 3.1(i), only if:

Annexure C

Scheme Implementation Deed

Freehills

13 Termination

- (1) Eldorado has given written notice to Sino Gold setting out the relevant circumstances and stating an intention to terminate or to allow the Scheme to lapse;
 - (2) the relevant breach continues to exist 5 Business Days (or any shorter period ending at 5.00pm on the Business Day before the Second Court Date) from the time the notice is given under clause 13.2(a)(1); and
 - (3) the loss that could reasonably be expected to follow from such a breach would exceed A\$30,000,000 in aggregate.
- (b) Sino Gold may terminate this Deed for breach of a Eldorado Representation and Warranty, or rely on the condition of clause 3.1(l), only if:
- (1) Sino Gold has given written notice to Eldorado setting out the relevant circumstances and stating an intention to terminate or to allow the Scheme to lapse;
 - (2) the relevant breach continues to exist 5 Business Days (or any shorter period ending at 5.00pm on the Business Day before the Second Court Date) from the time the notice is given under clause 13.2(b)(1); and
 - (3) the loss that could reasonably be expected to follow from such a breach would exceed US\$45,000,000 in aggregate.

13.3 Effect of termination

If this Deed is terminated by either party under clauses 3.4, 13.1 or 13.2, except if that the termination results from a breach by either party of its obligations under this Deed, this Deed will become void and have no effect, without any liability or obligation on the part of any party, other than in relation to rights and obligations that accrued prior to termination and other than in relation to the provisions of this clause 13 and of clauses 7.6 to 7.9, 10, 12, 14, 15, 16.2, 16.4 and 16.5, which will remain in force after termination.

13.4 Termination

Where a party has a right to terminate this Deed, that right for all purposes will be validly exercised if the party delivers a notice in writing to the other party stating that it terminates this Deed and the provision under which it is terminating the Deed.

13.5 Terminable in writing

This Deed is terminable if agreed to in writing by Eldorado and Sino Gold.

Freehills

14 Duty, costs and expenses

14 Duty, costs and expenses

14.1 Stamp duty

Eldorado must pay all stamp duties and any fines and penalties with respect to stamp duty in respect of this Deed or the Scheme or the steps to be taken under this Deed or the Scheme.

14.2 Costs and expenses

Except as otherwise provided in this Deed, each party must pay its own costs and expenses in connection with the negotiation, preparation, execution and performance of this Deed and the proposed, attempted or actual implementation of this Deed and the Transaction.

15 GST

- (a) Any consideration or amount payable under this Deed, including any non-monetary consideration (as reduced in accordance with clause 15(e) if required) (**Consideration**) is exclusive of GST.
- (b) If GST is or becomes payable on a Supply made under or in connection with this Deed, an additional amount (**Additional Amount**) is payable by the party providing consideration for the Supply (**Recipient**) equal to the amount of GST payable on that Supply as calculated by the party making the Supply (**Supplier**) in accordance with the GST Law.
- (c) The Additional Amount payable under clause 15(b) is payable at the same time and in the same manner as the Consideration for the Supply, and the Supplier must provide the Recipient with a Tax Invoice. However, the Additional Amount is only payable on receipt of a valid Tax Invoice.
- (d) If for any reason (including the occurrence of an Adjustment Event) the amount of GST payable on a Supply (taking into account any Decreasing or Increasing Adjustments in relation to the Supply) varies from the Additional Amount payable by the Recipient under clause 15(b):
 - (1) the Supplier must provide a refund or credit to the Recipient, or the Recipient must pay a further amount to the Supplier, as appropriate;
 - (2) the refund, credit or further amount (as the case may be) will be calculated by the Supplier in accordance with the GST Law; and
 - (3) the Supplier must notify the Recipient of the refund, credit or further amount within 14 days after becoming aware of the variation to the amount of GST payable. Any refund or credit must accompany such notification or the Recipient must pay any further amount within 7 days after receiving such notification, as appropriate. If there is an Adjustment Event in relation to the Supply, the requirement for the Supplier to notify the Recipient will be satisfied by the Supplier issuing to the Recipient an Adjustment Note within 14 days after becoming aware of the occurrence of the Adjustment Event.

Annexure C

Scheme Implementation Deed

Freehills

16 General

- (e) Despite any other provision in this Deed if an amount payable under or in connection with this Deed (whether by way of reimbursement, indemnity or otherwise) is calculated by reference to an amount incurred by a party, whether by way of cost, expense, outlay, disbursement or otherwise (**Amount Incurred**), the amount payable must be reduced by the amount of any Input Tax Credit to which that party is entitled in respect of that Amount Incurred.
- (f) Any reference in this clause to an Input Tax Credit to which a party is entitled includes an Input Tax Credit arising from a Creditable Acquisition by that party but to which the Representative Member of a GST Group of which the party is a member is entitled.
- (g) Any term starting with a capital letter that is not defined in this Deed has the same meaning as the term has in the A New Tax System (Goods & Services Tax) Act 1999 (Cth).

16 General

16.1 No representation or reliance

- (a) Each party acknowledges that no party (nor any person acting on its behalf) has made any representation or other inducement to it to enter into this Deed, except for representations or inducements expressly set out in this Deed and (to the maximum extent permitted by law) all other representations, warranties and conditions implied by statute or otherwise in relation to any matter relating to this Deed, the circumstances surrounding the parties' entry into it and the transactions contemplated by it are expressly excluded.
- (b) Each party acknowledges and confirms that it does not enter into this Deed in reliance on any representation or other inducement by or on behalf of any other party, except for any representation or inducement expressly set out in this Deed.
- (c) Each party acknowledges and confirms that clauses 16.1(a) and 16.1(b) do not prejudice any rights a party may have in relation to information which has been filed by the other party with ASIC, the ASX or the TSX (as the case may be).

16.2 No merger

The rights and obligations of the parties do not merge on completion of the Transaction. They survive the execution and delivery of any assignment or other document entered into for the purpose of implementing the Transaction.

16.3 Consents

Any consent referred to in, or required under, this Deed from any party may not be unreasonably withheld, unless this Deed expressly provides for that consent to be given in that party's absolute discretion.

Freehills

16 General

16.4 Notices

Any communication under or in connection with this Deed:

- (a) must be in legible writing. A facsimile transmission is regarded as legible unless the addressee telephones the sender within 2 hours after transmission is received or regarded as received under clause 16.4(f)(1) and informs the sender that it is not legible;
- (b) must be in English; and
- (c) must be addressed as shown below:

Party	Address	Addressee	Fax
Sino Gold	Sino Gold Mining Limited Level 22, 44 Market Street Sydney NSW 2000 Australia	(1) Ivo Polovineo Company Secretary / General Manager - Administration (2) Kevin Hobgood- Brown Group Executive and General Counsel	+61 2 8259 7070
	Copy to: Allens Arthur Robinson Level 28, Deutsche Bank Place Corner of Hunter & Phillip Streets Sydney NSW 2000 Australia	David Maloney, Partner	+61 2 9230 5333
Eldorado	Eldorado Gold Corporation 1188 – 550 Burrard Street Vancouver, BC V6C 2B5	Eduardo Moura and Dawn Moss	+1 604 687 4026
	Copy to: Fasken Martineau DuMoulin LLP Barristers and Solicitors Suite 2900, 550 Burrard Street Vancouver, BC V6C 0A3	Josh Lewis	+1 604 632 4853

(or as otherwise notified by that party to the other party from time to time);

- (d) must be signed by the party making the communication or by a person duly authorised by that party;
- (e) must be delivered or sent by fax to the fax number, of the addressee, in accordance with clause 16.4(b); and

Annexure C

Scheme Implementation Deed

Freehills

16 General

- (f) is regarded as received by the addressee:
- (1) if sent by fax, at the local time (in the place of receipt of that fax) which then equates to the time at which that fax is sent as shown on the transmission report which is produced by the machine from which that fax is sent and which confirms transmission of that fax in its entirety, unless that local time is not a Business Day, or is after 5.00pm on a Business Day in the place of receipt, when that communication will be regarded as received at 9.00am on the next Business Day; and
 - (2) if delivered by hand, on delivery at the address of the addressee as provided in clause 16.4(b), unless delivery is not made on a Business Day, or after 5.00pm on a Business Day, when that communication will be regarded as received at 9.00am on the next Business Day.

16.5 Governing law and jurisdiction

- (a) This Deed is governed by the laws of New South Wales.
- (b) Each party irrevocably submits to the non-exclusive jurisdiction of the courts of New South Wales and courts competent to hear appeals from those courts.

16.6 Waivers

- (a) Failure to exercise or enforce, a delay in exercising or enforcing, or the partial exercise or enforcement of any right, power or remedy provided by law or under this Deed by any party does not in any way preclude, or operate as a waiver of, any exercise or enforcement, or further exercise or enforcement, of that or any other right, power or remedy provided by law or under this Deed.
- (b) Any waiver or consent given by any party under this Deed is only effective and binding on that party if it is given or confirmed in writing by that party.
- (c) No waiver of a breach of any term of this Deed operates as a waiver of another breach of that term or of a breach of any other term of this Deed.

16.7 Variation

This Deed may only be varied by a document signed by or on behalf of each of the parties.

16.8 Assignment

A party may not assign, novate, declare a trust over or otherwise transfer or deal with any of its rights or obligations under this Deed without the prior written consent of the other party.

16.9 Acknowledgement

Each party acknowledges that the remedy of damages may be inadequate to protect the interests of the parties for a breach of clause 11 and that Eldorado is entitled to seek and obtain without limitation injunctive relief if Sino Gold breaches clause 11.

Freehills

16 General

16.10 No third party beneficiary

This Deed shall be binding on and inure solely to the benefit of each party to it and each of their respective permitted successors and assigns, and nothing in this Deed is intended to or shall confer on any other person, other than the Eldorado Indemnified Parties and the Sino Gold Indemnified Parties, to the extent set forth in clause 7, and any third party beneficiary rights.

16.11 Further action

Each party will do all things and execute all further documents necessary to give full effect to this Deed.

16.12 Entire Agreement

This Deed supersedes all previous agreements, understandings, negotiations or deeds (other than the Confidentiality Deed) in respect of its subject matter and embodies the entire Deed between the parties.

16.13 Counterparts

- (a) This Deed may be executed in any number of counterparts.
- (b) All counterparts, taken together, constitute one instrument.
- (c) A party may execute this Deed by signing any counterpart.

Annexure C

Scheme Implementation Deed

Freehills

Schedules

Table of contents

Eldorado Representations and Warranties	52
Sino Gold Representations and Warranties	57
Eldorado details	61
Sino Gold details	62

Freehills

Schedule 1

Eldorado Representations and Warranties

Eldorado represents and warrants to Sino Gold (in its own right and separately as trustee or nominee for each of the other Sino Gold Indemnified Parties) that:

- (a) **Not misleading:** the Eldorado Information provided for inclusion in the Scheme Booklet (other than any information regarding the Sino Gold Group contained in, or used in the preparation of, the information regarding the merged Sino Gold–Eldorado entity following implementation of the Scheme), as at the date the Scheme Booklet as despatched to Sino Gold Shareholders (other than Excluded Shareholders), will not contain any statement which is materially misleading or deceptive including by way of omission from that first mentioned information;
- (b) **New information:** it will, as a continuing obligation, provide to Sino Gold all further or new information which arises after the Scheme Booklet has been despatched until the date of the Scheme Meeting which is necessary to ensure that there would be no breach of paragraph (a) above if it applied as at the date on which that information arose;
- (c) **Eldorado Diligence Material:**
 - (1) Eldorado has collated and prepared all of the Eldorado Diligence Materials in good faith for the purposes of a confirmatory due diligence exercise (but which exercise does not include diligence on information of commercial or competitive sensitivity) and in this context, as far as Eldorado is aware, such Eldorado Diligence Materials have been collated with all reasonable care and skill; and
 - (2) Eldorado has not intentionally withheld from the Eldorado Diligence Materials given before the date of this Deed any written information that is known to Eldorado to be material to Sino Gold in light of the Transaction, provided that for the purposes of this paragraph (c)(2), all disclosure documents of the Eldorado publicly filed on SEDAR or EDGAR prior to midday on 14 September 2009 will be deemed to have been provided to Sino Gold;
- (d) **Validly existing:** it is a validly existing corporation under the laws of Canada;
- (e) **Authority:** the execution and delivery of this Deed has been properly authorised by all necessary corporate action of Eldorado;
- (f) **Eldorado Sub:** Eldorado Sub will be a wholly owned subsidiary of Eldorado;
- (g) **Power:** it has full corporate power and lawful authority to execute, deliver and perform this Deed;
- (h) **Deed binding:** this Deed is a valid and binding obligation on Eldorado enforceable in accordance with its terms, subject to laws generally affecting creditors' rights and principles of equity;

Annexure C

Scheme Implementation Deed

Freehills

Schedule 1 Eldorado Representations and Warranties

- (i) **No default:** this Deed does not conflict with or result in the breach of or a default under:
 - (1) Eldorado's restated articles and bylaws or other constituent documents; or
 - (2) any writ, order or injunction, judgment, law, rule or regulation to which it is party or by which it is bound;
- (j) **New Eldorado Shares:** the New Eldorado Shares to be issued in accordance with clause 4.3 and the terms of the Scheme will be duly authorised and validly issued or transferred, fully paid and free of all security interests and third party rights and will rank equally with all other Eldorado Shares then on issue;
- (k) **Capital structure:** Eldorado's authorised share capital consists of an unlimited number of common shares and an unlimited number of convertible non-voting shares, of which as of 22 October 2009, the common shares listed in Schedule 3 were issued and outstanding and no convertible non-voting shares were issued and outstanding and Eldorado has not issued any other securities, options or instruments which are still outstanding and may convert into Eldorado Shares other than as set out in Schedule 3;
- (l) **Independent Expert:** all information provided by or on behalf of Eldorado to the Independent Expert or the Investigating Accountant to enable their respective reports to be prepared will be provided in good faith and on the understanding that the Independent Expert and the Investigating Accountant will rely on that information for the purpose of preparing their respective reports for inclusion in the Scheme Booklet;
- (m) **Continuous disclosure:** Eldorado has complied in all material respects with its continuous disclosure requirements under applicable Canadian and United States securities laws and has not filed any confidential material change reports with any Canadian securities regulatory authorities and none of its disclosure documents publicly filed on SEDAR or EDGAR, as of the date of their respective filing, contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to prevent the statement made from being false or misleading in the circumstances in which it was made;
- (n) **Restrictions on business activities:** except as disclosed by Eldorado to Sino Gold in writing, to Eldorado's knowledge, there is no agreement, judgment, injunction, order or decree binding on Eldorado or any of its subsidiaries that has or would be likely to have the effect of prohibiting, restricting or materially impairing after the Effective Date any business of Eldorado or any of its subsidiaries;
- (o) **Litigation:** except as disclosed by Eldorado to Sino Gold in writing, to Eldorado's knowledge:
 - (1) there are no material actions, suits, arbitrations, legal or administrative proceedings pending or threatened against Eldorado or any of its material subsidiaries;
 - (2) neither Eldorado nor any of its material subsidiaries is the subject of any material pending or material threatened investigation; and
 - (3) neither Eldorado nor any of its material subsidiaries nor the respective assets, properties or business of Eldorado or any of its material

Freehills

Schedule 1 Eldorado Representations and Warranties

subsidiaries is subject to any judgment, order, writ, injunction or decree of any court, Government Agency or arbitration tribunal;

- (p) **Solvency:** neither Eldorado nor any other material member of the Eldorado Group is affected by a Eldorado Insolvency Event;
- (q) **Environmental:** except as disclosed by Eldorado to Sino Gold in writing:
- (1) neither Eldorado nor any material subsidiary of Eldorado has been convicted of any material offence under any Environmental Law and, to Eldorado's knowledge, there are no orders issued by any Government Agency or any claims relating to the breach of any Environmental Law or Environmental Permit against Eldorado or any of its subsidiaries;
 - (2) Eldorado and its material subsidiaries have complied in all material respects with all applicable Environmental Laws, all Environmental Permits necessary for the conduct and operation of their businesses as presently conducted have been obtained, are in force and effect and are being complied with in all material respects.

In this warranty:

Environmental Law means any law or regulation relating to the environment including relating to:

- (3) the discharge or emission of substances (whether solid, liquid or gaseous) to air, water or land;
- (4) contamination of air, water or land;
- (5) the production, use, handling, storage, disposal or transport of waste, hazardous substances; and
- (6) the presence of asbestos; or
- (7) any other aspect of protection of the environment or the enforcement or administration of any such law.

Environmental Permit means any permit, licence, authority, approval, certificate of approval, consent or authorisation required by Environmental Laws;

- (r) **Filings and undisclosed liabilities:**
- (1) other than for this Transaction, it has pursuant to Canadian and US securities laws filed with Canadian securities regulators and the SEC all required reports, schedules, prospectuses, forms, statements, notices and other documents required to be filed so filed on SEDAR or EDGAR (all of those documents being the **Eldorado Reporting Documents**) and it is not relying on exceptions under any listing rule or law to withhold any information from public disclosure;
 - (2) as of its date, each Eldorado Reporting Document complied in all material respects with the requirements of any applicable Canadian and US securities laws and regulations and policy statements under any such applicable law;
 - (3) none of the Eldorado Reporting Documents as of the date of their respective filings contained an untrue statement of a material fact or

Annexure C

Scheme Implementation Deed

Freehills

Schedule 1 Eldorado Representations and Warranties

omitted to state a material fact required to be stated in it or necessary to prevent the statement made from being false or misleading in the circumstances in which it has been made, except to the extent that such statements have been modified or superseded by a later filed Eldorado Reporting Document;

- (4) the consolidated financial statements of Eldorado included in the Eldorado Reporting Documents comply as to form in all material respects with all law and accounting requirements applicable to the preparation of financial statements, have been prepared in accordance with CGAAP or US generally accepted accounting principles, as applicable, at the relevant date and fairly present in all material respect the consolidated financial position of Eldorado as of the dates of the relevant financial statements and the consolidated results of its operations and cash flows for the periods then ended; and
- (5) there has not been any event, change, effect or development which, individually or in aggregate, is required to be included in Eldorado Reporting Documents in accordance with the requirements of the applicable securities laws in Canada or the US and all rules and regulations promulgated under the applicable securities laws in Canada or the US which has not been included in the Eldorado Reporting Documents;
- (s) **Governmental Licences:** The Eldorado Group possess such permits, certificates, licenses, approvals, consents and other authorizations (collectively, **Eldorado Governmental Licenses**) issued by the appropriate federal, provincial, state, local or foreign regulatory agencies or bodies necessary to own, lease, stake or maintain the mining licences, claims, concessions, exploration, extraction or other mineral property rights (collectively, the **Eldorado Mining Rights**) and other property interests and to conduct the business now operated, including to conduct mining and processing operations on its mining projects, except where the failure to possess such permits, certificates, licenses, approvals, consents or authorizations would not reasonably be expected to have a Eldorado Material Adverse Change or where such failure has been disclosed or referred to in the Eldorado Disclosure Letter. The Eldorado Group is in compliance, in all material respects, with the terms and conditions of all such Eldorado Governmental Licenses. All of the Eldorado Governmental Licenses are valid and in full force and effect. No material member of the Eldorado Group has received any outstanding notice of proceedings relating to the revocation or material modification of any such Eldorado Governmental Licenses;
- (t) **Leases, subleases and agreements:** All of the leases, subleases and agreements in real property (other than the Eldorado Mining Rights) material to the mining projects of the Eldorado Group and under which the Eldorado Group has an interest are in full force and effect, and none of the Eldorado Group has received any notice of any material claim of any sort that has been asserted by anyone adverse to the rights of the Eldorado Group under any of the lease, subleases or agreements mentioned above, or affecting or questioning the rights of the Eldorado Group to the continued possession of the property under any such lease, sublease, or agreement, except as disclosed in the Eldorado Disclosure Letter; and
- (u) **Material mining rights:** All the material Eldorado Mining Rights held by the Eldorado Group (the **Material Eldorado Mining Rights**) are in good standing, valid and enforceable, free and clear of any material liens or charges and no material royalty is payable in respect of any of them, except as set out in the Eldorado Disclosure Materials. Except as set out in the Eldorado Disclosure

Freehills

Schedule 1 Eldorado Representations and Warranties

Letter, no other Eldorado Mining Rights or other property rights are necessary for the conduct of the Eldorado Group's business as it is currently being conducted; and there are no material restrictions on the ability of the Eldorado Group to use, transfer or otherwise exploit any of the Material Eldorado Mining Rights except as required by applicable law. None of the Eldorado Group has received any notice of any material claim of any sort that has been asserted by anyone adverse to the rights of the Eldorado Group under any of the Material Eldorado Mining Rights, or affecting or questioning the rights of the Eldorado Group to the continued possession of the Material Eldorado Mining Rights, except as disclosed in the Eldorado Disclosure Letter. Except as disclosed in the Eldorado Disclosure Letter, the Eldorado Group is the owner of all Eldorado Mining Rights necessary to carry on their current and proposed mining and exploration activities.

Annexure C

Scheme Implementation Deed

Freehills

Schedule 2 Sino Gold Representations and Warranties

Schedule 2

Sino Gold Representations and Warranties

Sino Gold represents and warrants to Eldorado (in its own right and separately as trustee or nominee for each of the other Eldorado Indemnified Parties) that:

- (a) **Scheme Booklet:** the Sino Gold Information (and any information regarding the Sino Gold Group provided to Eldorado for the preparation of the information regarding the merged Sino Gold-Eldorado entity following implementation of the Scheme) will not contain any statement which is materially misleading or deceptive, including by way of omission from that statement;
- (b) **Validly existing:** it is a validly existing corporation registered under the laws of its place of incorporation;
- (c) **Authority:** the execution and delivery of this Deed has been properly authorised by all necessary corporate action of Sino Gold;
- (d) **Power:** Sino Gold has full corporate power and lawful authority to execute and deliver this Deed;
- (e) **Deed binding:** this Deed is a valid and binding obligation on Sino Gold enforceable in accordance with its terms, subject to laws generally affecting creditors' rights and principles of equity;
- (f) **Capital structure:** its capital structure, including all issued securities as at 22 October 2009 is as set out in Schedule 4 and it has not issued or agreed to issue any other securities, options, warrants, rights or instruments which are still outstanding and may convert into Sino Gold Shares other than as set out in Schedule 4;
- (g) **Continuous disclosure:** Sino Gold has complied in all material respects with its continuous disclosure obligations under Listing Rule 3.1 and, other than for this Transaction, it is not relying on the carve-out in Listing Rule 3.1 to withhold any material information from public disclosure;
- (h) **Sino Gold Diligence Material:**
 - (1) Sino Gold has collated and prepared all of the Sino Gold Diligence Material in good faith for the purposes of a confirmatory due diligence exercise (but which exercise does not include diligence on information of commercial or competitive sensitivity) and in this context, as far as Sino Gold is aware, such Diligence Material has been collated with all reasonable care and skill; and
 - (2) Sino Gold has not intentionally withheld from the Sino Gold Diligence Material given before the date of this Deed any written information that is known to Sino Gold to be material to Eldorado as a purchaser of the Sino Gold Group as a whole, provided that for the purposes of this paragraph (h)(2), all disclosure documents of Sino Gold publicly filed

Freehills

Schedule 2 Sino Gold Representations and Warranties

with ASX prior to midday on 14 September 2009 will be deemed to have been provided to Eldorado.

- (i) **Restrictions on business activities:** except as disclosed by Sino Gold to Eldorado in writing, there is no agreement, judgment, injunction, order or decree binding on Sino Gold or any of its subsidiaries that has or would be likely to have the effect of prohibiting, restricting or materially impairing after the Effective Date any business of Sino Gold or any of its subsidiaries;
- (j) **Litigation:** except as disclosed by Sino Gold to Eldorado in writing, to Sino Gold's knowledge:
 - (1) there are no material actions, suits, arbitrations, legal or administrative proceedings pending or threatened against Sino Gold or any of its material subsidiaries;
 - (2) neither Sino Gold nor any of its material subsidiaries is the subject of any material pending or material threatened investigation; and
 - (3) neither Sino Gold nor any of its material subsidiaries nor the respective assets, properties or business of Sino Gold or any of its material subsidiaries is subject to any judgment, order, writ, injunction or decree of any court, Government Agency or arbitration tribunal.
- (k) **Solvency:** neither Sino Gold nor any other material member of the Sino Gold Group is affected by a Sino Gold Insolvency Event;
- (l) **Environmental:** except as disclosed by Sino Gold to Eldorado in writing:
 - (1) neither Sino Gold nor any material subsidiary of Sino Gold has been convicted of any material offence under any Environmental Law and, to Sino Gold's knowledge, there are no orders issued by any Government Agency or any claims relating to the breach of any Environmental Law or Environmental Permit against Sino Gold or any of its subsidiaries;
 - (2) Sino Gold and its material subsidiaries have complied in all material respects with all applicable Environmental Laws, all Environmental Permits necessary for the conduct and operation of their businesses as presently conducted have been obtained, are in force and effect and are being complied with in all material respects.

In this warranty:

Environmental Law means any law or regulation relating to the environment including relating to:

- (1) the discharge or emission of substances (whether solid, liquid or gaseous) to air, water or land;
- (2) contamination of air, water or land;
- (3) the production, use, handling, storage, disposal or transport of waste, hazardous substances; and
- (4) the presence of asbestos; or
- (5) any other aspect of protection of the environment or the enforcement or administration of any such law.

Annexure C

Scheme Implementation Deed

Freehills

Schedule 2 Sino Gold Representations and Warranties

Environmental Permit means any permit, licence, authority, approval, certificate of approval, consent or authorisation required by Environmental Laws;

- (m) **Filings and undisclosed liabilities:**
- (1) other than for this Transaction, it has since 1 January 2002 filed with ASIC and ASX all required reports, schedules, prospectuses, forms, statements, notices and other documents required to be filed with ASIC and ASX, including any notices required to be filed by Listing Rule 3.1 (all of those documents being the **Sino Gold Reporting Documents**) and it is not relying on the carve-out in Listing Rule 3.1 to withhold any information from public disclosure;
 - (2) as of its date, each Sino Gold Reporting Document complied in all material respects with the requirements of the Corporations Act and the Listing Rules and all rules, regulations and policy statements under the Corporations Act and the Listing Rules;
 - (3) none of the Sino Gold Reporting Documents as of the date of their respective filings contained an untrue statement of a material fact or omitted to state a material fact required to be stated in it or necessary to prevent the statement made from being false or misleading in the circumstances in which it has been made, except to the extent that such statements have been modified or superseded by a later filed Sino Gold Reporting Document;
 - (4) the consolidated financial statements of Sino Gold included in the Sino Gold Reporting Documents comply as to form in all material respects with the Corporations Act and all applicable accounting requirements applicable to the preparation of financial statements, have been prepared in accordance with generally accepted accounting principles in Australia (**Australian GAAP**) or AIFRS as applicable at the relevant date and fairly present in all material respect the consolidated financial position of Sino Gold as of the dates of the relevant financial statements and the consolidated results of its operations and cash flows for the periods then ended; and
 - (5) there has not been any event, change, effect or development which, individually or in aggregate, is required to be included in Sino Gold Reporting Documents in accordance with the requirements of the Corporations Act, the Listing Rules and all rules and regulations promulgated under the Corporations Act and the Listing Rules which has not been included in the Sino Gold Reporting Documents;
- (n) **Governmental Licences:** The Sino Gold Group possess such permits, certificates, licenses, approvals, consents and other authorizations (collectively, **Governmental Licenses**) issued by the appropriate federal, provincial, state, local or foreign regulatory agencies or bodies necessary to own, lease, stake or maintain the mining licences, claims, concessions, exploration, extraction or other mineral property rights (collectively, the **Mining Rights**) and other property interests and to conduct the business now operated, including to conduct mining and processing operations on its mining projects, except where the failure to possess such permits, certificates, licenses, approvals, consents or authorizations would not reasonably be expected to have a Sino Gold Material Adverse Change or where such failure has been disclosed or referred to in the Sino Gold Disclosure Letter. The Sino Gold Group are in compliance, in all material respects, with the terms and conditions of all such Governmental Licenses. All of the Governmental Licenses are valid and in full force and effect.

Freehills

Schedule 2 Sino Gold Representations and Warranties

No material member of the Sino Gold Group has received any outstanding notice of proceedings relating to the revocation or material modification of any such Governmental Licenses;

- (o) **Leases, subleases and agreements:** All of the leases, subleases and agreements in real property (other than Mining Rights) material to the mining projects of the Sino Gold Group and under which the Sino Gold Group has an interest in full force and effect, and none of the Sino Gold Group has received any notice of any material claim of any sort that has been asserted by anyone adverse to the rights of the Sino Gold Group under any of the lease, subleases or agreements mentioned above, or affecting or questioning the rights of the Sino Gold Group to the continued possession of the property under any such lease, sublease, or agreement, except as disclosed in the Sino Gold Disclosure Letter;
- (p) **Material mining rights:** The material Mining Rights held by the Sino Gold Group (the **Sino Gold Mining Rights**) are in good standing, valid and enforceable, free and clear of any material liens or charges and no material royalty is payable in respect of any of them, except as set out in the Sino Gold Disclosure Letter. Except as set out in the Sino Gold Disclosure Letter, no other Mining Rights or other property rights are necessary for the conduct of the Sino Gold Group's business as it is currently being conducted; and there are no material restrictions on the ability of the Sino Gold Group to use, transfer or otherwise exploit any of the Sino Gold Mining Rights except as required by applicable law. None of the Sino Gold Group has received any notice of any material claim of any sort that has been asserted by anyone adverse to the rights of the Sino Gold Group under any of the Sino Gold Mining Rights, or affecting or questioning the rights of the Sino Gold Group to the continued possession of the Sino Gold Mining Rights, except as disclosed in the Sino Gold Disclosure Letter. Except as disclosed in the Sino Gold Disclosure Letter, the Sino Gold Group are the owners of all Mining Rights necessary to carry on their current and proposed mining and exploration activities;
- (q) **No default:** this Deed does not conflict with or result in the breach of or a default under:
 - (1) Sino Gold's constitution; or
 - (2) any writ, order or injunction, judgment, law, rule or regulation to which it is party or by which it is bound;
- (r) **Independent Expert:** all information provided by or on behalf of Sino Gold to the Independent Expert or the Investigating Accountant to enable their respective reports to be prepared will be provided in good faith and on the understanding that the Independent Expert and the Investigating Accountant will rely on that information for the purpose of preparing their respective reports for inclusion in the Scheme Booklet; and
- (s) **Contractual approvals:** Sino Gold does not require any, or has obtained all, contractual approvals to its entry into and completion of the Transaction from counterparties to its material joint venture agreements (being Jinfeng, White Mountain and Eastern Dragon) or its material financing agreements, where the entry into and completion of the Transaction would otherwise provide those counterparties with rights (including rights of termination, acceleration, forced disposal or pre-emption).

Annexure C

Scheme Implementation Deed

Freehills

Schedule 3

Eldorado details

Security	Total number on issue
Eldorado Shares	400,165,675
Options	10,008,922, which collectively are capable of being converted into 10,008,922 Eldorado Shares

Eldorado also has obligations to issue securities in certain circumstances pursuant to the Share Purchase and Sale Agreement with Gold Fields Australasia BVI Ltd dated 3 June 2009 (as amended on 10 July 2009), as filed with ASX.

Freehills

Schedule 4

Sino Gold details

Sino Gold

Security**Total number on issue**

Sino Gold Shares

292,578,478

Sino Gold Options

12,106,733 (consisting of 10,766,250 employee options, 250,000 SBL options 312,783 GCX emp options and 777,700 Kingsway/Assif options), which collectively are capable of being converted into 12,106,733 Sino Gold Shares.

Annexure C Scheme Implementation Deed

Freehills

Signing page

Executed as a Deed

Signed, sealed and delivered by
Eldorado Gold Corporation
By

sign here ▶ _____
Authorised signatory

print name _____

sign here ▶ _____
Witness

print name _____

Signed, sealed and delivered by
Sino Gold Mining Limited
By

sign here ▶ _____
Company Secretary/Director

print name _____

sign here ▶ _____
Director

print name _____

Freehills

Annexure 1 Indicative Timetable

Annexure 1

Indicative Timetable

Event	Target date
Announcement and signing of scheme implementation deed	Wednesday 26 August 2009
Expiry of due diligence condition	Monday 14 September 2009
Scheme Booklet provided to ASIC in draft	Monday 12 October 2009
First Court hearing	Wednesday 28 October 2009
Scheme Meeting	Wednesday 2 December 2009
Second Court hearing	Friday 4 December 2009
Effective Date	Friday 4 December 2009
Record Date	Friday 11 December 2009
Implementation Date	Tuesday 15 December 2009

Annexure C

Scheme Implementation Deed

Freehills

Annexure 2

Scheme of arrangement

Freehills

Annexure 3

Deed poll

Annexure C

Scheme Implementation Deed

Freehills

Annexure 4 Option Scheme – consideration

Annexure 4

Option Scheme – consideration

The consideration payable under the Option Scheme will be calculated as follows:

- a) Consideration offered will be in the form of New Eldorado Shares with the value offered to be set by reference to the Scheme Consideration of 0.55 New Eldorado Shares per Sino Gold Share.
- b) The number of New Eldorado Shares to be issued for each Sino Gold Option will be calculated according to the following formula:

$$N = 0.55 - [(A \times B) / C]$$

Where:

- N = New Eldorado Shares per Sino Gold Option;
- A = the exercise price of the Sino Gold Option in Australian Dollars (Where options have a Canadian dollar exercise price, the exercise price is converted into Australian dollars using the exchange rate referred to in 'B' below.);
- B = the average closing Australian dollar / Canadian dollar exchange rate for the five full trading days preceding the date of this Scheme Implementation Deed (where the closing Australian dollar / Canadian dollar exchange rate is the last trade, as quoted on Bloomberg, prior to 12:00 AM AEST on the relevant trading day); and
- C = the volume weighted average price of Eldorado Shares on the TSX for the five full trading days preceding the date of this Scheme Implementation Deed.
- c) If the result of the calculation in (b) is not a positive number, then the Sino Gold Option will be deemed to be out of the money and Eldorado will offer those Sino Gold Optionholders holding out of the money options a number of New Eldorado Shares as determined in (d).
 - d) In the event that a Sino Gold Option is deemed to be out of the money, the number of New Eldorado Shares offered for each Sino Gold Option will be determined according to the following formula:

$$N = (A \times B) / C$$

Where:

- N = New Eldorado Shares per Sino Gold Option;
- A = the Australian dollar value of the Sino Gold Option according to the Black Scholes option pricing formula. For the Black Scholes formula:
- i. The valuation date shall be the date of this Scheme Implementation Deed;

Freehills

Annexure 4 Option Scheme – consideration

- ii. the annualised volatility assumption will be set at 44.7%;
 - iii. The spot price of Sino Gold Shares will be the implied Australian dollar value of the Scheme Consideration on the date of this Scheme Implementation Deed, where:
 - A. the value of Eldorado Shares used to determine the implied value of the Scheme Consideration is to be the volume weighted average price of Eldorado Shares on the TSX for the five full trading days preceding the date of this Scheme Implementation Deed; and
 - B. the implied value of the Scheme Consideration is to be converted to Australian dollars using the average closing Australian dollar / Canadian dollar exchange rate for the five full trading days preceding the date of this Scheme Implementation Deed (where the closing Australian dollar / Canadian dollar exchange rate is the last trade, as quoted on Bloomberg, prior to 12:00 AM AEST on the relevant trading day).
- B = the average closing Australian dollar / Canadian dollar exchange rate for the five full trading days preceding the date of this Scheme Implementation Deed (where the closing Australian dollar / Canadian dollar exchange rate is the last trade, as quoted on Bloomberg, prior to 12:00 AM AEST on the relevant trading day); and
- C = the volume weighted average price of Eldorado Shares on the TSX for the five full trading days preceding the date of this Scheme Implementation Deed.

Annexure C

Scheme Implementation Deed

Freehills

Annexure 5 Key terms of the Sale Facility

Annexure 5

Key terms of the Sale Facility

Key Terms of the Sale Facility

- a) Eldorado shall appoint a Sale Agent to sell the New Eldorado Shares (as nominee for the Scheme Shareholder or Scheme Optionholder) that would be issued to or for the account of Ineligible Foreign Shareholders and Ineligible Foreign Optionholders. The Sale Agent will also be appointed by Eldorado to sell the New Eldorado Shares (as nominee for the Scheme Shareholder or Scheme Optionholder) that would be issued in the form of CDIs to or for the account of Scheme Shareholders or Scheme Optionholders who are able to participate in the Sale Facility in accordance with the threshold described in (b). Any New Eldorado Shares to be sold under the Sale Facility will be issued for the account of and will be held by the Sale Agent as nominee in trust for the Scheme Shareholder or Scheme Optionholder, as the case may, who are the beneficial owners thereof.
- b) Scheme Shareholders and Scheme Optionholders who are entitled to receive 55,000 or less New Eldorado Shares (or such other number as may be agreed between Eldorado and Sino Gold in writing) under the Scheme or under the Option Scheme respectively will be able to participate in the Sale Facility. Notwithstanding the forgoing, the Sale Facility (including the maximum number of New Eldorado Shares that may be sold under the Sale Facility) is subject to compliance with all applicable Canadian and US securities law requirements and all applicable Canadian and US regulatory requirements.
- c) The New Eldorado Shares that are sold under the Sale Facility may be pooled by the Sale Agent. Proceeds from the sale of all New Eldorado Shares under the Sale Facility are to be pooled and Scheme Shareholders, Sino Gold Scheme Optionholders, Ineligible Foreign Shareholders and Ineligible Foreign Optionholders will receive their share of net proceeds after deductions for any applicable taxes, charges and currency conversion costs (sale proceeds under the Sale Facility will be in Canadian dollars and will be converted into Australian dollars prior to distribution to Scheme Shareholders, Scheme Optionholders, Ineligible Foreign Shareholders and Ineligible Foreign Optionholders).
- e) No brokerage will be charged to Scheme Shareholders, Sino Gold Scheme Optionholders, Ineligible Foreign Shareholders and Ineligible Foreign Optionholders.
- f) The Sale Agent will have 15 trading days after the Implementation Date to sell the New Eldorado Shares issued to it as Sale Agent and will be required to comply with all applicable securities laws.
- g) The New Eldorado Shares will be sold on the TSX and/or on other Canadian electronic markets and not in the United States or to US Persons.
- h) Any of the above key terms may be amended with the agreement of Eldorado and Sino Gold.

Annexure – Share Scheme Deed Poll

D

Annexure D

Share Scheme Deed Poll

Freehills

Deed poll

Deed poll

Date ► 28 October 2009

This deed poll is made

by

Eldorado Gold Corporation
of 1188 – 550 Burrard Street, Vancouver, BC V6C 2B5, Canada
(**Eldorado**)

and

Eldorado Pacific Pty Limited ACN 140 003 149 of 79 Broadway,
Nedlands, Western Australia 6009 (**Eldorado Sub**)

in favour of

each holder of fully paid ordinary shares in Sino Gold Mining Limited
(ABN 42 093 518 579) (**Sino Gold**) as at the Record Date

Background

- 1 Sino Gold and Eldorado entered into the Implementation Deed.
 - 2 In the Implementation Deed, Eldorado agreed to enter into this deed poll.
 - 3 Eldorado and Eldorado Sub are entering into this deed poll for the purpose of covenanting in favour of the Scheme Shareholders to perform their obligations under the Implementation Deed and the Scheme.
-

This deed poll provides

1 Definitions and interpretation

1.1 Definitions

In this deed poll:

Freehills

2 Conditions to obligations

- (a) **"Implementation Deed"** means the scheme implementation deed entered into between Sino Gold and Eldorado dated 26 August 2009 (and subsequently amended); and
- (b) unless the context otherwise requires, terms defined in the Implementation Deed or the Scheme have the same meaning when used in this deed poll.

1.2 Interpretation

Clause 1.2 of the Implementation Deed applies to the interpretation of this deed poll, except that references to "Implementation Deed" or "Deed" are to be read as references to "deed poll".

1.3 Nature of deed poll

Eldorado and Eldorado Sub acknowledge that this deed poll may be relied on and enforced by any Scheme Shareholder in accordance with its terms even though the Scheme Shareholders are not party to it.

2 Conditions to obligations

2.1 Conditions

The obligations of Eldorado and Eldorado Sub under this deed poll are subject to the Scheme becoming Effective.

2.2 Termination

The obligations of Eldorado and Eldorado Sub under this deed poll to Scheme Shareholders will automatically terminate and the terms of this deed poll will be of no further force or effect if:

- (a) the Implementation Deed is terminated in accordance with its terms; or
- (b) the Scheme is not Effective by the End Date.

2.3 Consequences of termination

If this deed poll is terminated under clause 2.2, in addition and without prejudice to any other rights, powers or remedies available to it:

- (a) Eldorado and Eldorado Sub are released from their obligations to further perform this deed poll except those obligations under clause 6.2; and
- (b) each Scheme Shareholder retain any rights they have against Eldorado and Eldorado Sub in respect of any breach of this deed poll which occurred before it was terminated.

Annexure D

Share Scheme Deed Poll

Freehills

3 Consideration under the Scheme

3 Consideration under the Scheme

3.1 Undertaking to issue Scheme Consideration

Subject to clause 2, Eldorado and Eldorado Sub undertake in favour of each Scheme Shareholder to:

- (a) provide or procure the provision of the Scheme Consideration to each Scheme Shareholder in accordance with the terms of the Scheme; and
- (b) undertake all other actions attributed to it under the Scheme, subject to and in accordance with the Scheme.

3.2 Shares to rank equally

Eldorado and Eldorado Sub covenant in favour of each Scheme Shareholder that the New Eldorado Shares which are issued to each Scheme Shareholder and CDN in accordance with the Scheme will:

- (a) rank equally with all existing Eldorado Shares; and
- (b) be issued fully paid and free from any mortgage, charge, lien, encumbrance or other security interest.

4 Warranties

Eldorado and Eldorado Sub represent and warrant that:

- (a) it is a corporation validly existing under the laws of Canada (in the case of Eldorado) and Australia (in the case of Eldorado Sub);
- (b) it has the corporate power to enter into and perform its obligations under this deed poll and to carry out the transactions contemplated by this deed poll;
- (c) it has taken all necessary corporate action to authorise its entry into this deed poll and has taken or will take all necessary corporate action to authorise the performance of this deed poll and to carry out the transactions contemplated by this deed poll; and
- (d) this deed poll is valid and binding on it.

5 Continuing obligations

This deed poll is irrevocable and, subject to clause 2, remains in full force and effect until:

- (a) Eldorado and Eldorado Sub have fully performed its obligations under this deed poll; or
- (b) the earlier termination of this deed poll under clause 2.2.

Freehills

6 General

6 General

6.1 Notices

- (a) A notice or other communication in respect of this deed poll (**Notice**) must be in writing and delivered by hand or sent by pre-paid post or fax to Eldorado or Eldorado Sub at the address or the fax number for Eldorado and Eldorado Sub set out below or as otherwise specified by Eldorado and Eldorado Sub by Notice:

Attention: Eduardo Moura and Dawn Moss

Address: Eldorado Gold Corporation
1188 – 550 Burrard Street
Vancouver, BC V6C 2B5

Fax no: +1 604 687 4026

Copy to:

Attention: Josh Lewis

Address: Fasken Martineau DuMoulin LLP
Barristers and Solicitors
Suite 2900, 550 Burrard Street
Vancouver, BC V6C 0A3

Fax no: +1 604 632 4853

- (b) A Notice to or by Eldorado and/or Eldorado Sub must be in legible writing and in English.
- (c) A Notice must be signed by the person giving the Notice or by a person duly authorised by that person.
- (d) Email or similar electronic means of communication must not be used to give Notices in respect of this deed poll.
- (e) A Notice sent by post is regarded as given and received on the second Business Day following the date of postage.
- (f) A fax is regarded as given and received on production of a transmission report by the machine from which the fax was sent which indicates that the fax was sent in its entirety to the recipient's fax number, unless the recipient informs the sender that the Notice is illegible or incomplete within 4 hours of it being transmitted.
- (g) A Notice delivered or received other than on a Business Day or after 5.00pm (recipient's time) is regarded as received at 9.00am on the following Business Day and a Notice delivered or received before 9.00am (recipient's time) is regarded as received at 9.00am.

6.2 Stamp duty

Eldorado will:

- (a) pay all stamp duties and any related fines and penalties in respect of the Scheme and this deed poll, the performance of this deed poll and each transaction effected by or made under the Scheme and this deed poll; and

Annexure D

Share Scheme Deed Poll

Freehills

6 General

- (b) indemnify each Scheme Shareholder against any liability arising from failure to comply with clause 6.2(a).

6.3 Governing law and jurisdiction

- (a) This deed poll is governed by the law in force in New South Wales.
- (b) Eldorado and Eldorado Sub irrevocably submit to the non-exclusive jurisdiction of courts exercising jurisdiction in New South Wales and courts of appeal from them in respect of any proceedings arising out of or in connection with this deed. Eldorado and Eldorado Sub irrevocably waive any objection to the venue of any legal process in these courts on the basis that the process has been brought in an inconvenient forum.

6.4 Waiver

Eldorado and Eldorado Sub may not rely on the words or conduct of any Scheme Shareholder as a waiver of any right unless the waiver is in writing and signed by the Scheme Shareholder granting the waiver.

6.5 Variation

A provision of this deed poll may not be varied unless the variation is agreed to by Sino Gold, and the Court indicates that the variation would not of itself preclude approval of the Scheme, in which event Eldorado and Eldorado Sub will enter into a further deed poll in favour of the Scheme Shareholders giving effect to the variation.

6.6 Cumulative rights

The rights, powers and remedies of Eldorado and Eldorado Sub and the Scheme Shareholders under this deed poll are cumulative and do not exclude any other rights, powers or remedies provided by law independently of this deed poll.

6.7 Assignment

- (a) The rights created by this deed poll are personal to Eldorado and Eldorado Sub and each Scheme Shareholder and must not be dealt with at law or in equity without the prior written consent of Eldorado.
- (b) Any purported dealing in contravention of clause 6.7(a) is invalid.

6.8 Further action

Eldorado and Eldorado Sub must, at their own expense, do all things and execute all documents necessary to give effect to this deed poll.

Freehills

Schedule 1

Scheme

[Attached]

Annexure D Share Scheme Deed Poll

Freehills

Signing page

Executed as a deed poll

Signed sealed and delivered by
Eldorado Gold Corporation
by

sign here ► _____
Authorised signatory

print name _____

sign here ► _____
Witness

print name _____

Signed sealed and delivered by
Eldorado Pacific Pty Limited
by

sign here ► _____
Company Secretary/Director

print name _____

sign here ► _____
Director

print name _____

Annexure – Share Scheme

E

Annexure E

Share Scheme

Freehills

Share scheme of arrangement

This scheme of arrangement is made under section 411 of the *Corporations Act 2001* (Cth)

Between the parties

Sino Gold Mining Limited (ABN 42 093 518 579)

of Level 22, 44 Market Street, Sydney NSW 2000, Australia (**Sino Gold**)

The holders of fully paid ordinary shares in Sino Gold (other than Excluded Shareholders) recorded in the Sino Gold Share Register as at the Record Date (**Scheme Shareholders**).

1 Definitions and interpretation

1.1 Definitions

The meanings of the terms used in this Scheme are set out below.

Term	Meaning
ASIC	the Australian Securities and Investments Commission.
ASX	ASX Limited (ABN 98 008 624 691).
Business Day	a day that is not a Saturday, Sunday or public holiday and on which banks and ASX and TSX are open for business.
CDI	CHESS Depository Interest, being a unit of beneficial ownership in a New Eldorado Share registered in the name of CDN.
CDN	CHESS Depository Nominees Pty Limited ACN 071 346 506.

Freehills

1 Definitions and interpretation

Term	Meaning
CHESS	the clearing house electronic sub-register system of share transfers operated by ASX Settlement and Transfer Corporation Pty Ltd.
Corporations Act	the <i>Corporations Act 2001</i> (Cth).
Court	the Federal Court of Australia, Sydney Registry or such other court of competent jurisdiction under the Corporations Act agreed to in writing by Eldorado and Sino Gold.
Deed Poll	the deed poll substantially in the form of Annexure 3 under which Eldorado and Eldorado Sub covenant in favour of the Scheme Shareholders to perform their obligations under the Scheme.
Effective	when used in relation to the Scheme, the coming into effect, under section 411(10) of the Corporations Act, of the Court order made under section 411(4)(b) of the Corporations Act in relation to the Scheme.
Effective Date	the date on which the Scheme becomes Effective.
Eldorado	Eldorado Gold Corporation of 1188 – 550 Burrard Street, Vancouver, BC V6C 2B5, Canada
Eldorado Register	the register of shareholders maintained by Eldorado or its agent.
Eldorado Sub	Eldorado Pacific Pty Limited (ACN 140 003 149), a wholly owned subsidiary of Eldorado.
Eldorado Group	Eldorado and each of its subsidiaries and a reference to a 'Eldorado Group Member' or a 'member of the Eldorado Group' is to Eldorado or any of its subsidiaries.
Election Date	means 5.00pm on the fifth Business Day after the Effective Date.
End Date	31 March 2010.
Excluded Shareholder	any Sino Gold Shareholder who is a member of the Eldorado Group or any Sino Gold Shareholder who holds any Sino Gold Shares on behalf of, or for the benefit of, any member of the Eldorado Group.

Annexure E

Share Scheme

Freehills

1 Definitions and interpretation

Term	Meaning
Government Agency	any foreign or Australian government or governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity, or any minister of the Crown in right of the Commonwealth of Australia or any other federal, state, provincial, local or other government (foreign or Australian).
Implementation Deed	the implementation deed dated 26 August 2009 (as amended) between Sino Gold and Eldorado relating to the implementation of the Scheme.
Implementation Date	the fourth calendar day after the Record Date, or such other day as the parties agree.
Ineligible Foreign Option Participant	an Option Scheme Participant whose address shown in the Sino Gold Option Register is a place outside Australia and its external territories, Canada, China (including Hong Kong but excluding Macao), New Zealand, Singapore, Switzerland, the United Kingdom or the United States of America, unless Eldorado determines that it is lawful and not unduly onerous or impracticable to issue that Option Scheme Participant with CDIs or New Eldorado Shares when the Option Scheme becomes Effective.
Ineligible Foreign Shareholder	a Scheme Shareholder whose address shown in the Sino Gold Share Register is a place outside Australia and its external territories, Canada, China (including Hong Kong but excluding Macao), New Zealand, Singapore, Switzerland, the United Kingdom or the United States of America, unless Eldorado determines that it is lawful and not unduly onerous or impracticable to issue that Scheme Shareholder with CDIs or New Eldorado Shares when the Scheme becomes Effective.
New Eldorado Share	a common share of Eldorado.
Option Scheme	the related scheme of arrangement under Part 5.1 of the Corporations Act between Sino Gold and the holders of Sino Gold options.
Option Scheme Participant	the holders of Sino Gold Options recorded on the Sino Gold Option Register as at the Record Date
Record Date	5.00pm on the fifth Business Day after the Effective Date.
Registered Address	has the meaning given in clause 4.6(e)(1).
Retail Option Scheme Participant	Option Scheme Participants who are entitled to receive 55,000 or less CDIs or New Eldorado Shares (or such other number as may be agreed between Eldorado and Sino Gold in writing) under this Option Scheme (which for the

Freehills

1 Definitions and interpretation

Term	Meaning
	avoidance of doubt excludes any Ineligible Foreign Option Participant).
Retail Scheme Shareholder	Scheme Shareholders who are entitled to receive 55,000 or less CDIs or New Eldorado Shares (or such other number as may be agreed between Eldorado and Sino Gold in writing) under this Scheme (which for the avoidance of doubt excludes any Ineligible Foreign Shareholder).
Sale Agent	Macquarie Capital Markets Canada Ltd, appointed to sell (a) the New Eldorado Shares that are to be issued under clause 4.6(a)(1) and 4.6(a)(2) of this Scheme; and (b) the New Eldorado Shares that are to be issued under clause 4.6(a)(1) and 4.6(a)(2) of the Option Scheme.
Sale Election Form	an election form for the purposes of a Retail Scheme Shareholder making an election under clause 4.3(b)(2).
Sale Facility Securities	has the meaning given in clause 4.6(a).
Scheme	this scheme of arrangement subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and agreed to by Sino Gold and Eldorado.
Scheme Booklet	as defined in the Scheme Implementation deed.
Scheme Consideration	for each Sino Gold Share held by a Scheme Shareholder as at the Record Date, an amount of 0.55 New Eldorado Shares either in the form of CDIs or in the form of New Eldorado Shares, subject to the terms of this Scheme.
Scheme Meeting	the meeting of Sino Gold Shareholders (other than Excluded Shareholders) ordered by the Court to be convened under section 411(1) of the Corporations Act.
Scheme Share	a Sino Gold Share held by a Scheme Shareholder as at the Record Date.
Scheme Shareholder	a holder of fully paid ordinary shares in Sino Gold (other than Excluded Shareholders) recorded in the Sino Gold Share Register as at the Record Date.
Second Court Date	the first day on which an application made to the Court for an order under section 411(4)(b) of the Corporations Act approving the Scheme is heard.

Annexure E

Share Scheme

Freehills

1 Definitions and interpretation

Term	Meaning
Share Election Form	an election form for the purposes of a Scheme Shareholder making an election under clause 4.3(b)(1).
Share Sale Facility	the share sale facility provided for in clause 4.6.
Share Sale Facility Participant	a Scheme Shareholder in respect of whom New Eldorado Shares are issued to the Sale Agent as nominee in trust for such Scheme Shareholder in the circumstances referred to in clause 4.6(a) or in clause 4.5.
Sino Gold Hong Kong Branch Register	the Hong Kong branch register of the Sino Gold Share Register, maintained by Computershare Hong Kong Services Limited.
Sino Gold Option	an option to acquire one unissued Sino Gold Share issued: <ul style="list-style-type: none"> (a) by Sino Gold under the Sino Gold Executive and Employee Option Plan; (b) by Sino Gold to Standard Bank Plc on 16 September 2005; (c) by Sino Gold on or around completion of its takeover bid for Golden China Resources Corporation, in replacement of options previously issued by Golden China Resources Corporation to its directors and employees; or (d) by Sino Gold on or around completion of its takeover bid for Golden China Resources Corporation, in replacement of options previously issued by Golden China Resources Corporation to Kingsway Capital of Canada, Inc. and Assif S.A..
Sino Gold Option Register	the register of Sino Gold Options maintained by Sino Gold or its agent.
Sino Gold Share Register	the register of members of Sino Gold maintained in accordance with the Corporations Act (and includes the Sino Gold Hong Kong Branch Register).
Sino Gold Share	a fully paid ordinary share in Sino Gold.
Sino Gold Shareholder	a person who is registered as the holder of a Sino Gold Share.
Sino Gold Scheme Registrar	Registries Limited (ACN 003 209 836) or, following the Implementation Date, Link Market Services Limited (ACN 083 214 537).
Trading Day	a day on which the Toronto Stock Exchange is open for trading.

Freehills

1 Definitions and interpretation

Term	Meaning
TSX	Toronto Stock Exchange.

1.2 Interpretation

In this Scheme:

- (a) Headings and bold type are for convenience only and do not affect the interpretation of this Scheme.
- (b) The singular includes the plural and the plural includes the singular.
- (c) Words of any gender include all genders.
- (d) Other parts of speech and grammatical forms of a word or phrase defined in this Scheme have a corresponding meaning.
- (e) An expression importing a person includes any company, partnership, joint venture, association, corporation or other body corporate and any Government Agency as well as an individual.
- (f) A reference to a clause, party, schedule, attachment or exhibit is a reference to a clause of, and a party, schedule, attachment or exhibit to, this agreement and a reference to this agreement includes any schedule, attachment and exhibit.
- (g) A reference to any legislation includes all delegated legislation made under it and amendments, consolidations, replacements or re-enactments of any of them.
- (h) A reference to a document (including this Scheme) includes all amendments or supplements to, or replacements or novations of, that document.
- (i) A reference to '\$', 'A\$' or 'dollar' is to Australian currency.
- (j) a reference to 'C\$' is to the lawful currency of Canada.
- (k) A reference to any time is a reference to that time in Sydney.
- (l) A term defined in or for the purposes of the Corporations Act has the same meaning when used in this Scheme.
- (m) A reference to a party to a document includes that party's successors and permitted assignees.
- (n) No provision of this Scheme will be construed adversely to a party because that party was responsible for the preparation of this Scheme or that provision.
- (o) A reference to a body, other than a party to this Scheme (including an institute, association or authority), whether statutory or not:
 - (1) which ceases to exist; or

Annexure E

Share Scheme

Freehills

2 Preliminary matters

- (2) whose powers or functions are transferred to another body,
is a reference to the body which replaces it or which substantially succeeds to its powers or functions.

1.3 Interpretation of inclusive expressions

Specifying anything in this scheme after the words 'include' or 'for example' or similar expressions does not limit what else is included.

1.4 Business Day

Where the day on or by which any thing is to be done is not a Business Day, that thing must be done on or by the next Business Day.

2 Preliminary matters

- (a) Sino Gold is a public company registered in New South Wales, Australia.
- (b) As at 28 October 2009:
- (1) 292,578,478 Sino Gold Shares were on issue; and
 - (2) 12,106,733 Sino Gold Options were on issue.
- (c) Eldorado is a company governed under the laws of Canada.
- (d) Eldorado Sub is a company registered under the laws of Australia.
- (e) If the Scheme becomes Effective:
- (1) Eldorado will provide or procure the provision of the Scheme Consideration to Scheme Shareholders in accordance with the Scheme; and
 - (2) all the Scheme Shares, and all the rights and entitlements attaching to them as at the Implementation Date, will be transferred to Eldorado Sub and Sino Gold will enter the name of Eldorado Sub in the Sino Gold Share Register in respect of the Scheme Shares.
- (f) Sino Gold and Eldorado have agreed, by executing the Implementation Deed, to implement the Scheme.
- (g) Eldorado and Eldorado Sub have agreed, by executing the Deed Poll, to perform their obligations under this Scheme, including the obligation to provide or procure the provision of the Scheme Consideration to the Scheme Shareholders.

Freehills

3 Conditions to the Scheme

3 Conditions to the Scheme

- (a) This Scheme is conditional on:
- (1) all the conditions in clause 3.1 of the Implementation Deed (other than the condition in the Implementation Deed relating to Court approval of this Scheme and Court approval of the Option Scheme) having been satisfied or waived in accordance with the terms of the Implementation Deed by 8.00am on the Second Court Date;
 - (2) approval of this Scheme by the Court pursuant to section 411(4)(b) of the Corporations Act;
 - (3) the condition in 3.1(n) of the Implementation Deed having been satisfied or waived in accordance with the terms of the Implementation Deed; and
 - (4) the Implementation Deed not having been terminated by either party to that deed before 8.00am on the Second Court Date.
- (b) The satisfaction of the conditions precedent in clause 3(a) is a condition precedent to the operation of clause 4.
- (c) The Scheme will lapse and be of no further force or effect if the Effective Date does not occur on or before the End Date or any later date Sino Gold and Eldorado agree.
- (d) Sino Gold and Eldorado will provide to the Court at the Second Court Date a certificate confirming (in respect of matters within their knowledge) whether or not the conditions precedent in the Implementation Deed and this Scheme (other than the condition precedent in clause 3.1(c) and 3.1(n) of the Implementation Deed) have been satisfied or waived. The certificate constitutes conclusive evidence that such conditions precedent are satisfied, waived or taken to be waived.

4 Implementation of the Scheme

4.1 Lodgement of Court orders

Sino Gold will lodge with ASIC office copies of the Court orders under section 411(10) of the Corporations Act approving the Scheme by 5.00pm on the first Business Day after the day on which the Court approves the Scheme.

4.2 Transfer of Scheme Shares

On the Implementation Date:

- (a) subject to the provision of the Scheme Consideration in the manner contemplated by clause 4.4, all of the Scheme Shares, together with all rights and entitlements attaching to them as at the Implementation Date, will be

Annexure E

Share Scheme

Freehills

4 Implementation of the Scheme

transferred to Eldorado Sub, without the need for any further act by any Scheme Shareholder, by:

- (1) Sino Gold delivering to Eldorado Sub duly completed and executed share transfer forms (or a master share transfer form) to transfer all the Scheme Shares to Eldorado Sub; and
 - (2) Eldorado Sub duly executing the share transfer forms (or master share transfer form), attending to the stamping of the share transfer forms (or master share transfer form) (if required) and delivering the share transfer forms (or master share transfer form) to Sino Gold for registration; and
- (b) immediately after receipt of the share transfer forms (or master share transfer form) in accordance with clause 4.2(a)(2), Sino Gold must enter, or procure the entry of, the name of Eldorado Sub in the Sino Gold Share Register in respect of all the Scheme Shares.

4.3 Election Procedure

- (a) Subject to clause 4.3(b), clause 4.5 and clause 4.7, a Scheme Shareholder will receive the Scheme Consideration in the form of CDIs. A Scheme Shareholder who wishes to receive the Scheme Consideration in the form of CDIs does not need to make an election under clause 4.3(b).
- (b) Subject to the remaining provisions of this clause 4.3 and clause 4.5:
 - (1) each Scheme Shareholder (other than a Retail Scheme Shareholder who has made and not withdrawn an election to participate in the Share Sale Facility under paragraph (2) below) will be entitled to elect to receive Scheme Consideration in the form of New Eldorado Shares rather than CDIs, by completing the Share Election Form and returning it to the address specified in the Share Election Form so that it is received by the Election Date; and
 - (2) each Retail Scheme Shareholder (other than one who has made and not withdrawn an election under paragraph (1) above) will be entitled to elect to participate in the Share Sale Facility by completing the Sale Election Form and returning it to the address specified in the Sale Election Form so that it is received by the Election Date.
- (c) An Ineligible Foreign Shareholder is not entitled to make any election pursuant to clause 4.3(b) and any election purportedly made by it will be invalid. Ineligible Foreign Shareholders will have their Scheme Consideration (which will be issued in the form of New Eldorado Shares rather than CDIs) dealt with in accordance with clauses 4.5, 4.6 and 4.7.
- (d) An election under clause 4.3(b) must be made in accordance with the terms and conditions on the Share Election Form or Sale Election Form, as the case may be.
- (e) A Scheme Shareholder (other than an Ineligible Foreign Shareholder) who does not make a valid election under clause 4.3(b) will be deemed to have elected to receive Scheme Consideration in the form of CDIs.

Freehills

4 Implementation of the Scheme

- (f) Subject to clause 4.3(g), a valid election made or deemed to be made by a Scheme Shareholder under this clause 4.3 will be deemed to apply in respect of the Scheme Shareholder's entire holding of Scheme Shares, regardless of whether the Scheme Shareholder's holding of Scheme Shares is greater or less than the Scheme Shareholder's holding at the time it made its election.
- (g) A Scheme Shareholder (other than an Ineligible Foreign Shareholder and other than a Retail Scheme Shareholder who has made and not withdrawn an election to participate in the Share Sale Facility under clause 4.3(b)(2)) who is noted on the Sino Gold Share Register as holding one or more parcels of Sino Gold Shares as trustee or nominee for, or otherwise on account of, another person:
- (1) may make separate elections under clause 4.3(b)(1) in relation to each of those parcels of Sino Gold Shares (subject to it providing to Sino Gold and Eldorado any substantiating information they reasonably require), and an election made in respect of any such parcel, or an omission to make an election in respect of any such parcel, will not be taken to extend to the other parcels; but
 - (2) may not make separate elections under clause 4.3(b)(2) in relation to each of those parcels of Sino Gold Shares.
- (h) A Scheme Shareholder may vary or withdraw any election made by it under this clause 4.3 by the Election Date. To vary such an election, a Scheme Shareholder must lodge a replacement Share Election Form or Sale Election Form, as the case may be, by the Election Date. To withdraw such an election, a Scheme Shareholder must follow the procedure set out in the Scheme Booklet or in the Share Election Form or in the Sale Election Form.
- (i) Subject to clause 4.3(j), an election which is not made or deemed to have been made in accordance with this clause 4.3 will not be a valid election for the purpose of this Scheme and will not be recognised by Sino Gold, Eldorado Sub or Eldorado for any purpose.
- (j) Sino Gold may, with the agreement of Eldorado, settle as it thinks fit any difficulty, matter of interpretation or dispute which may arise in connection with determining the validity of any election, and any such decision will be conclusive and binding on Sino Gold, Eldorado, Eldorado Sub and the relevant Scheme Shareholder.

4.4 Provision of Scheme Consideration

Subject to clauses 4.4(d), 4.5 and 4.7, the obligation of Eldorado and Eldorado Sub to provide or procure the provision of the Scheme Consideration to Scheme Shareholders will be satisfied by Eldorado:

- (a) in the case of Scheme Consideration that is required to be provided to Scheme Shareholders in the form of New Eldorado Shares, by Eldorado procuring that:
- (1) the name and address of each such Scheme Shareholder is entered into the Eldorado Register on the Implementation Date in respect of the New Eldorado Shares to which it is entitled under this clause 4; and
 - (2) a share certificate or holding statement (or equivalent document) is sent to the Registered Address of each such Scheme Shareholder

Annexure E

Share Scheme

Freehills

4 Implementation of the Scheme

representing the number of New Eldorado Shares issued to the Scheme Shareholder pursuant to this Scheme;

- (b) in the case of Scheme Consideration that is required to be provided to Scheme Shareholders in the form of CDIs, by Eldorado:
- (1) issuing to CDN to be held on trust that number of New Eldorado Shares that will enable CDN to issue CDIs as envisaged by clause 4.4(b)(3) on the Implementation Date;
 - (2) procuring that the name and address of CDN is entered into the Eldorado Register in respect of those New Eldorado Shares on the Implementation Date and that a share certificate or holding statement (or equivalent document) in the name of CDN representing those New Eldorado Shares is sent to CDN;
 - (3) procuring that on the Implementation Date, CDN issues to each such Scheme Shareholder the number of CDIs to which it is entitled under this clause 4;
 - (4) procuring that on the Implementation Date, the name of each such Scheme Shareholder is entered in the records maintained by CDN as the holder of the CDIs issued to that Scheme Shareholder on the Implementation Date;
 - (5) in the case of each such Scheme Shareholder who held Scheme Shares on the CHESSE subregister – procuring that the CDIs are held on the CHESSE subregister on the Implementation Date and sending or procuring the sending of a CDI holding statement to each such Scheme Shareholder which sets out the number of CDIs held on the CHESSE subregister by that Scheme Shareholder; and
 - (6) in the case of each such Scheme Shareholder who held Scheme Shares on the issuer sponsored subregister – procuring that the CDIs are held on the issuer sponsored subregister on the Implementation Date and sending or procuring the sending of a CDI holding statement to each such Scheme Shareholder which sets out the number of CDIs held on the issuer sponsored subregister by that Scheme Shareholder; and
- (c) in the case of Scheme Consideration that is required to be dealt with following valid elections under clause 4.3(b)(2) and as a result of the operation of clause 4.5, by Eldorado procuring that:
- (1) the name and registered address of the Sale Agent, as nominee in trust for the Share Sale Facility Participants, is entered into the Eldorado Register on the Implementation Date in respect of the New Eldorado Shares required to be issued to it under this clause 4;
 - (2) a share certificate or holding statement (or equivalent document) in the name of the Sale Agent, as nominee in trust for the Share Sale Facility Participants, is sent to the Sale Agent representing the number of New Eldorado Shares so issued to it; and
 - (3) the Sale Agent, as nominee in trust for the Share Sale Facility Participants, sells those New Eldorado Shares on behalf of the Share Sale Facility Participants, and pays the proceeds to the Sino Gold

Freehills

4 Implementation of the Scheme

Scheme Registrar, in trust for the Share Sale Facility Participants in accordance with clause 4.6; and

- (4) the Sino Gold Scheme Registrar pays the proceeds on to the Share Sale Facility Participants in accordance with clause 4.6.
- (d) In the case of joint holders of Scheme Shares:
- (1) the New Eldorado Shares or CDIs to be issued under this Scheme will be issued to and registered in the names of the joint holders;
 - (2) any cheque required to be sent under this Scheme will be made payable to the joint holders and sent to the holder whose name appears first in the Sino Gold Share Register; and
 - (3) any other document required to be sent under this Scheme, will be forwarded to the holder whose name appears first in the Sino Gold Share Register as at the Record Date.

4.5 Ineligible Foreign Shareholders

Eldorado will be under no obligation to issue any New Eldorado Shares or CDIs under this Scheme to any Ineligible Foreign Shareholders and must instead procure that the number of New Eldorado Shares that would have been issued to an Ineligible Foreign Shareholder had they not been an Ineligible Foreign Shareholder are dealt with on behalf of the Ineligible Foreign Shareholder in accordance with clause 4.6 and 4.7.

4.6 Share Sale Facility

- (a) New Eldorado Shares that:
- (1) but for an election by a Retail Scheme Shareholder under clause 4.3(b)(2), would have been issued to that Retail Scheme Shareholder or CDN in respect of that Retail Scheme Shareholder (rounded down to the nearest whole number in accordance with clause 4.7); or
 - (2) are required to be dealt with under this clause by virtue of clause 4.5 (rounded down to the nearest whole number in accordance with clause 4.7),
- must be issued by Eldorado to the Sale Agent, as nominee in trust for the Share Sale Facility Participants, on the Implementation Date (rounded down, if necessary to the nearest whole number) (together with the New Eldorado Shares to be issued by Eldorado to the Sale Agent, as nominee in trust for the Share Sale Facility Participants, on the Implementation Date under clause 4.6(a)(1) and clause 4.6(a)(2) of the Option Scheme, the **Sale Facility Securities**) and subsequently sold in accordance with the remaining provisions of this clause 4.6.
- (b) The Share Sale Facility will only be available in respect of New Eldorado Shares issued to the Sale Agent, as nominee in trust for the Share Sale Facility Participants, in the circumstances referred to in clause 4.6(a). Any purported election by a Scheme Shareholder to participate in the Share Sale Facility in any other circumstances will be invalid and not recognised for any purpose.
- (c) Eldorado must procure that the Sale Agent:

Annexure E

Share Scheme

Freehills

4 Implementation of the Scheme

- (1) within 15 Trading Days after the Implementation Date, sells the Sale Facility Securities on the Toronto Stock Exchange and/or on other Canadian electronic markets in such manner, including selling the Sale Facility Securities in one or more lots, at such price or prices and on such other terms as the Sale Agent determines in good faith;
 - (2) deducts from the C\$ gross proceeds of such sale of all Sale Facility Securities any taxes applicable to those Sale Facility Securities;
 - (3) within 5 Trading Days after the last sale of Sale Facility Securities is completed under (1) above, arranges for the conversion of the net proceeds of all such sales referred to in (2) above from C\$ to A\$; and
 - (4) within one Trading Day after conversion of those net proceeds to A\$ under (3) above, pays that A\$ amount (after having deducted any applicable currency conversion costs) to the Sino Gold Scheme Registrar, in trust for the Share Sale Facility Participants, by telegraphic transfer of clear funds to an A\$ account nominated by the Sino Gold Scheme Registrar.
- (d) Within 7 Business Days after the date on which the Sale Agent remits the A\$ amount referred to in clause 4.6(c)(4) to the Sino Gold Scheme Registrar, Eldorado and Sino Gold will cause the Sino Gold Scheme Registrar to pay to:
- (1) each Retail Option Scheme Participant who has made and not withdrawn an election to participate in the Share Sale Facility under clause 4.3(b)(2) of the Option Scheme;
 - (2) each Retail Scheme Shareholder who has made and not withdrawn an election to participate in the Share Sale Facility under clause 4.3(b)(2) of the Share Scheme;
 - (3) each Ineligible Foreign Shareholder; and
 - (4) each Ineligible Foreign Option Participant,
- their pro-rata share of the A\$ amount referred to in clause 4.6(c)(4), being the proportion which the number of Sale Facility Securities attributable to them bears to the total number of Sale Facility Securities. The amount payable to each Share Sale Facility Participant under this clause will, if necessary, be rounded down to the nearest whole cent, and any part of the A\$ amount referred to in clause 4.6(c)(4) remaining after such rounding will be paid by the Sino Gold Scheme Registrar to a charity nominated by Sino Gold.
- (e) Share Sale Facility Participants agree that the amount referred to in clause 4.6(d) may be paid by the Sino Gold Scheme Registrar doing any of the following at the Sino Gold Scheme Registrar's election:
- (1) sending a cheque or money order for that amount (after having deducted any applicable taxes) by pre-paid post (or pre-paid airmail if the address is outside Australia) to the Share Sale Facility Participant's address as shown in the Sino Gold Share Register as at the Record Date (the **Registered Address**);
 - (2) depositing that amount into an account with any bank notified to Sino Gold (or any agent of Sino Gold) by an appropriate written authority from the Share Sale Facility Participant, whether in A\$ or after having arranged for the conversion of that amount into a currency other than A\$ in accordance with the written authority from the Share Sale

Freehills

4 Implementation of the Scheme

Facility Participant, and after having deducted any applicable taxes or currency conversion costs; or

- (3) in the event that a Share Sale Facility Participant does not have a Registered Address or the Sino Gold Scheme Registrar believes a Share Sale Facility Participant is not known at its Registered Address, and no account has been notified in accordance with clause 4.6(e)(2) or a deposit into such an account is rejected or refunded, the Sino Gold Scheme Registrar must hold the amount on trust until the Share Sale Facility Participant claims the amount (in which case the Sino Gold Share Scheme Registrar may pay that amount in accordance with (1) or (2) above) or the amount is dealt with in accordance with unclaimed money legislation. Any benefit accruing from the amount while it is held on trust will be to the benefit of Sino Gold. An amount credited to the account is to be treated as having been paid to the Share Sale Facility Participant. Sino Gold must procure that records are maintained of the amounts paid, the people who are entitled to the amounts and any transfers of the amounts.

- (f) Payment by the Sino Gold Scheme Registrar to a Share Sale Facility Participant in accordance with this clause 4.6 satisfies in full the Share Sale Facility Participant's right to the Scheme Consideration.
- (g) None of Sino Gold, Eldorado, Eldorado Sub, the Sale Agent or the Sino Gold Scheme Registrar gives any assurance as to the price that will be achieved for the sale of the Sale Facility Securities by the Sale Agent. The sale of the Sale Facility Securities under this clause 4.6 will be at the risk of the Share Sale Facility Participant.
- (h) Despite the other provisions in this clause 4.6, if Eldorado is of the opinion, formed reasonably, that several Scheme Shareholders have, before the Record Date, been party to a shareholding splitting or division in an attempt to obtain an advantage by reference to eligibility to participate in the Share Sale Facility, Eldorado may direct Sino Gold to give notice to those Scheme Shareholders:
- (1) setting out the names and Registered Addresses of all of them;
 - (2) stating that opinion; and
 - (3) attributing to one of them specifically identified in the notice the Sino Gold Shares held by all of them,

and, after the notice has been so given, the Scheme Shareholder specifically identified in the notice shall, for the purposes of determining eligibility as a Scheme Shareholder, be taken to hold all those Sino Gold Shares and each of the other Scheme Shareholder whose names are set out in the notice shall be taken to hold no Sino Gold Shares.

4.7 Fractional entitlements and splitting

- (a) Where the calculation of the number of New Eldorado Shares or CDIs to be issued to a particular Scheme Shareholder would result in the issue of a fraction of a New Eldorado Share or a fraction of a CDI, the fractional entitlement will be rounded down to the nearest whole number of New Eldorado Shares or CDIs.
- (b) If Eldorado is of the opinion, formed reasonably, that several Scheme Shareholders, each of which holds a holding of Sino Gold Shares which results

Annexure E

Share Scheme

Freehills

5 Issue and trading

in a fractional entitlement to New Eldorado Shares or CDIs, have, before the Record Date, been party to a shareholding splitting or division in an attempt to obtain an advantage by reference to the rounding provided for in the calculation of each Scheme Shareholder's entitlement to the Scheme Consideration, Eldorado may direct Sino Gold to give notice to those Scheme Shareholders:

- (1) setting out the names and Registered Addresses of all of them;
- (2) stating that opinion; and
- (3) attributing to one of them specifically identified in the notice the Sino Gold Shares held by all of them,

and, after the notice has been so given, the Scheme Shareholder specifically identified in the notice shall, for the purposes of the Scheme, be taken to hold all those Sino Gold Shares and each of the other Scheme Shareholders whose names are set out in the notice shall, for the purposes of the Scheme, be taken to hold no Sino Gold Shares.

4.8 Hong Kong

Each Scheme Shareholder whose Sino Gold Shares are held on the Sino Gold Hong Kong Branch Register as at the Record Date hereby irrevocably directs Sino Gold to transfer those holdings from the Sino Gold Hong Kong Branch Register to the issuer sponsored subregister of the Sino Gold Share Register as soon as practicable following the Record Date and prior to the Implementation Date, and Sino Gold agrees to comply with that direction.

5 Issue and trading

- (a) The New Eldorado Shares will be duly and validly issued in accordance with the laws of Canada and Eldorado's restated articles of incorporation and bylaws, will be issued fully paid and will rank equally in all respects with all other common shares of Eldorado then issued and outstanding.
- (b) The Scheme Shareholders agree to be bound by Eldorado's restated articles of incorporation and bylaws.
- (c) Each Scheme Shareholder shall be deemed to have irrevocably appointed Eldorado and each of its directors and officers (jointly and severally) as its attorneys for the purpose of executing any form of application, letter of transmittal or other instruments or documents required for the New Eldorado Shares or CDIs.

6 Dealings in Sino Gold Shares

- (a) To establish the identity of the Scheme Shareholders, dealings in Sino Gold Shares will only be recognised if:

Freehills

7 Quotation of Sino Gold Shares

- (1) in the case of dealings of the type to be effected using CHES, the transferee is registered in the Sino Gold Share Register as the holder of the relevant Sino Gold Shares by the Record Date; and
 - (2) in all other cases, registrable transmission applications or transfers in respect of those dealings are received on or before the Record Date at the place where the Sino Gold Share Register is kept.
- (b) Sino Gold must register registrable transmission applications or transfers of the kind referred to in clause 6(a)(2) by the Record Date (provided that, for the avoidance of doubt, nothing in this clause 6(b) requires Sino Gold to register a transfer that would result in a Sino Gold Shareholder holding a parcel of Sino Gold Shares that is less than a 'marketable parcel' (as defined in the Market Rules of the ASX)).
 - (c) If the Scheme becomes Effective, a holder of Scheme Shares (and any person claiming through that holder) must not dispose of or purport or agree to dispose of any Scheme Shares or any interest in them after the Record Date.
 - (d) Sino Gold will not accept for registration or recognise for any purpose any transmission application or transfer in respect of Sino Gold Shares received after the Record Date.
 - (e) For the purpose of determining entitlements to the Scheme Consideration, Sino Gold must maintain the Sino Gold Share Register in accordance with the provisions of this clause 6 until the Scheme Consideration has been paid to the Scheme Shareholders. The Sino Gold Share Register in this form will solely determine entitlements to the Scheme Consideration.
 - (f) All statements of holding for Sino Gold Shares will cease to have effect from the Record Date as documents of title in respect of those shares and, as from that date, each entry current at that date on the Sino Gold Share Register will cease to have effect except as evidence of entitlement to the Scheme Consideration in respect of the Sino Gold Shares relating to that entry.
 - (g) As soon as possible on or after the Record Date, and in any event within one Business Day after the Record Date, Sino Gold will ensure that details of the names, Registered Addresses and holdings of Sino Gold Shares for each Scheme Shareholder and details of all Share Election Forms and Sale Election Forms validly submitted and not revoked are available to Eldorado in the form Eldorado reasonably requires.

7 Quotation of Sino Gold Shares

- (a) Sino Gold will apply to ASX to suspend trading on the ASX in Sino Gold Shares from the close of trading on the day Sino Gold notifies the ASX that the Court has approved the Scheme under section 411(4)(b) of the Corporations Act.
- (b) On a date after the Implementation Date to be determined by Eldorado, Sino Gold will apply:
 - (1) for termination of the official quotation of Sino Gold Shares on the ASX; and

Annexure E

Share Scheme

Freehills

8 General provisions

- (2) to have itself removed from the official list of the ASX.

8 General provisions

8.1 Consent to amendments to the Scheme

If the Court proposes to approve the Scheme subject to any alterations or conditions, Sino Gold may by its counsel consent on behalf of all persons concerned to those alterations or conditions to which Eldorado has consented.

8.2 Scheme Shareholders' agreements and warranties

- (a) Each Scheme Shareholder:
- (1) agrees to the transfer of their Sino Gold Shares in accordance with the Scheme and agrees to the variation, cancellation or modification of the rights attached to their Sino Gold Shares constituted by or resulting from the Scheme; and
 - (2) acknowledges that the Scheme binds all Scheme Shareholders.
- (b) Each Scheme Shareholder is taken to have warranted to Sino Gold, Eldorado and Eldorado Sub, and appointed and authorised Sino Gold as its attorney and agent to warrant to Eldorado and Eldorado Sub, that all their Sino Gold Shares (including any rights and entitlements attaching to those shares) which are transferred under the Scheme will, at the date of transfer, be fully paid and free from all mortgages, charges, liens, encumbrances and interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind, and that they have full power and capacity to transfer their Sino Gold Shares to Eldorado Sub together with any rights attaching to those shares. Sino Gold undertakes that it will provide such warranty to Eldorado and Eldorado Sub as agent and attorney of each Scheme Shareholder.

8.3 Title to and rights in Scheme Shares

- (a) To the extent permitted by law, the Sino Gold Shares transferred under the Scheme will be transferred free from all mortgages, charges, liens, encumbrances and interests of third parties of any kind, whether legal or otherwise.
- (b) Eldorado Sub will be beneficially entitled to the Sino Gold Shares transferred to it under the Scheme pending registration by Sino Gold of Eldorado Sub in the Sino Gold Share Register as the holder of the Sino Gold Shares.

8.4 Appointment of sole proxy

Upon the Scheme becoming Effective, and until Sino Gold registers Eldorado Sub as the holder of all Scheme Shares in the Sino Gold Share Register, each Scheme Shareholder:

Freehills

9 General

- (a) is deemed to have appointed Eldorado Sub as attorney and agent (and directed Eldorado Sub in each such capacity) to appoint any director, officer, secretary or agent nominated by Eldorado Sub as its sole proxy and, where applicable or appropriate, corporate representative to attend shareholders' meetings, exercise the votes attaching to the Scheme Shares registered in their name and sign any shareholders' resolution, and no Scheme Shareholder may itself attend or vote at any of those meetings or sign any resolutions, whether in person, by proxy or by corporate representative (other than pursuant to this clause 8.4(a)); and
- (b) must take all other actions in the capacity of a registered holder of Scheme Shares as Eldorado Sub reasonably directs.

8.5 Authority given to Sino Gold

- (a) Scheme Shareholders will be deemed to have authorised Sino Gold, and all its directors, officers and secretaries, to do and execute all acts, matters, things and documents on the part of each Scheme Shareholder necessary to implement the scheme, including (without limitation) executing, as agent and attorney of each Scheme Shareholder, a share transfer form (or a master share transfer form) in relation to Scheme Shares as contemplated by clause 8.5(b).
- (b) Each Scheme Shareholder, without the need for any further act, irrevocably appoints Sino Gold and all of its directors, officers and secretaries (jointly and severally) as its attorney and agent for the purpose of executing any document necessary to give effect to the Scheme including without limitation, a proper instrument of transfer of its Scheme Shares for the purposes of section 1071B of the Corporations Act which may be a master transfer of all the Scheme Shares.

9 General

9.1 Stamp duty

The Eldorado will pay all stamp duty payable in connection with the transfer of Sino Gold Shares to Eldorado Sub.

9.2 Consent

The Scheme Shareholders consent to Sino Gold doing all things necessary or incidental to the implementation of the Scheme.

9.3 Notices

If a notice, transfer, transmission application, direction or other communication referred to in the Scheme is sent by post to Sino Gold, it will not be taken to be received in the ordinary course of post or on a date and time other than the date and time (if any) on which it is actually received at Sino Gold registered office or at the office of the Sino Gold Share Registrar.

Annexure E

Share Scheme

Freehills

9 General

9.4 Governing law

- (a) The Scheme is governed by the laws in force in New South Wales.
- (b) Each party irrevocably submits to the non-exclusive jurisdiction of courts exercising jurisdiction in New South Wales and courts of appeal from them in respect of any proceedings arising out of or in connection with this Scheme. Each party irrevocably waives any objection to the venue of any legal process in these courts on the basis that the process has been brought in an inconvenient forum.

9.5 Further action

Sino Gold must do all things and execute all documents necessary to give full effect to this Scheme and the transactions contemplated by it.

Annexure – Notice of Share Scheme Meeting

F

Annexure F

Notice of Share Scheme Meeting



Sino Gold Mining Limited
ABN 42 093 518 579

Notice of Court Ordered Meeting of Shareholders

Notice is given that, by an order of the Court made on 28 October 2009 pursuant to section 411(1) of the Corporations Act, a meeting of Sino Gold shareholders (other than Excluded Shareholders) will be held at the Hilton Sydney, Level 2, Function Room 3, 488 George Street, Sydney, Australia on Wednesday, 2 December 2009, commencing at 10.00am.

Purpose of the meeting

The purpose of the meeting is to consider and, if thought fit, to pass a resolution agreeing to a scheme of arrangement (the **Share Scheme**) proposed between Sino Gold and Sino Gold shareholders (other than Excluded Shareholders).

A copy of the Share Scheme and the explanatory statement required by section 412 of the Corporations Act in relation to it are contained in the booklet of which this notice forms part.

Resolution

The meeting will be asked to consider and, if thought fit, pass the following resolution:

THAT, pursuant to and in accordance with section 411 of the *Corporations Act 2001* (Cth), the scheme of arrangement proposed between Sino Gold Mining Limited and the holders of its ordinary shares (other than certain excluded shareholders), as contained in and more particularly described in the booklet of which the notice convening this meeting forms part, is agreed to (with or without modification as approved by the Federal Court of Australia).

Chairman

The Court has appointed James Askew (Chairman, Sino Gold) or, failing him, Brian Davidson, to act as chairman of the meeting and has directed the chairman to report the result of the resolution to the Court.

Dated 28 October 2009

By order of the Board
Sino Gold Mining Limited

A handwritten signature in blue ink, appearing to read 'Ivo Polovineo', with a horizontal line extending to the right.

Ivo Polovineo
Company Secretary

Explanatory notes to notice of Share Scheme Meeting

General

This notice should be read in conjunction with the entire booklet of which it forms part. The booklet contains important information to assist you in determining how to vote on the resolution.

Terms used but not defined in this notice have the defined meanings set out in section 13 of the booklet.

A copy of the Share Scheme is set out in annexure E to the booklet.

Required voting majority

Under section 411(4)(a) of the Corporations Act, the resolution to approve the Share Scheme must be passed at the meeting by:

- unless the Court orders otherwise, a majority in number of Sino Gold shareholders present and voting (either in person or by proxy, attorney or, in the case of bodies corporate, body corporate representative) at the meeting; and
- at least 75% of the votes cast on the resolution.

The Court has a discretion under section 411(4)(a)(ii)(A) of the Corporations Act to approve the Share Scheme if it is approved by at least 75% of the votes cast on the resolution but not by a majority in number of Sino Gold shareholders (other than Excluded Shareholders) present and voting at the meeting.

Court approval

Under section 411(4)(b) of the Corporations Act, the Share Scheme (with or without modification) is subject to the approval of the Court. If the resolution put to the meeting is passed by the requisite majorities and the other Conditions Precedent to the Share Scheme (other than approval by the Court) are satisfied or waived by the time required under the Share Scheme, Sino Gold intends to apply to the Court for the necessary orders to give effect to the Share Scheme.

Entitlement to vote

Under section 411 of the Corporations Act and all other enabling powers, the Court has determined that the time for determining eligibility to vote at the meeting is 5.00pm¹ on Monday, 30 November 2009. Only those Sino Gold shareholders (other than Excluded Shareholders) entered on the Sino Gold Share Register at that time will be entitled to attend and vote at the meeting. The remaining comments in these explanatory notes are addressed to Sino Gold shareholders entitled to attend and vote at the meeting.

How to vote

Voting will be by poll. You may vote at the meeting by:

- attending and voting in person;
- appointing one or two proxies to attend and vote on your behalf, using the yellow Proxy Form that accompanied the booklet;
- appointing an attorney to attend and vote on your behalf, using a power of attorney; or
- in the case of a body corporate, appointing a body corporate representative to attend and vote on your behalf, using a certificate of appointment of body corporate representative.

Attendance

If you or your representative(s) plan to attend the meeting, please arrive at the venue at least 30 minutes before the scheduled time for commencement, so that your shareholding can be checked against the Sino Gold Share Register, any power of attorney or certificate of appointment of body corporate representative verified, and you or your representative's attendance noted.

Jointly held securities

If you hold Sino Gold shares jointly with one or more other persons, only one of you may vote. If more than one of you attempts to vote, only the vote of the holder whose name appears first on the Sino Gold Share Register will be counted.

Voting in person

To vote in person, you must attend the meeting.

Eligible Sino Gold shareholders who wish to attend and vote at the meeting in person will be admitted and given a voting card on disclosure at the point of entry to the meeting of their name and address.

Voting by proxy

You may appoint one or two proxies. Your proxy need not be another Sino Gold shareholder. Each proxy will have the right to vote on a poll and also to speak at the meeting.

To appoint a proxy, you should complete and return the yellow Proxy Form that accompanied the booklet in accordance with the instructions on that form. The deadline for receipt of Proxy Forms by the Sino Gold Scheme Registry is 10.00am on Monday, 30 November 2009.

Note:

1 2.00pm Hong Kong time.

Annexure F

Notice of Share Scheme Meeting

If you wish to appoint a second proxy, a second Proxy Form should be used and you should clearly indicate on the second Proxy Form that it is a second proxy and not a revocation of your first proxy. You can obtain a second Proxy Form from the Sino Gold Scheme Registry. Replacement Proxy Forms can also be obtained from the Sino Gold Scheme Registry.

If you appoint two proxies, each proxy should be appointed to represent a specified proportion of your voting rights. If you do not specify the proportions in the Proxy Forms, each proxy may exercise half of your votes with any fractions of votes disregarded.

You should consider how you wish your proxy to vote. That is, whether you want your proxy to vote 'For' or 'Against', or abstain from voting on, the resolution, or whether to leave the decision to the proxy after he or she has considered the matters discussed at the meeting.

If you do not direct your proxy how to vote on an item of business, the proxy may vote, or abstain from voting, as he or she thinks fit. If you instruct your proxy to abstain from voting on an item of business, he or she is directed not to vote on your behalf, and the shares the subject of the proxy appointment will not be counted in computing the required majority.

If you return your Proxy Form:

- without identifying a proxy on it, you will be taken to have appointed the chairman of the meeting as your proxy to vote on your behalf; or
- with a proxy identified on it but your proxy does not attend the meeting, the chairman of the meeting will act in place of your nominated proxy and vote in accordance with any directions on your Proxy Form.

The chairman of the meeting, all other Sino Gold directors and the Sino Gold company secretary intend to vote all valid undirected proxies which nominate them in favour of the resolution, in the absence of a Superior Proposal.

Proxies of eligible Sino Gold shareholders will be admitted to the meeting and given a voting card on providing at the point of entry to the meeting written evidence of their name and address.

Your appointment of a proxy does not preclude you from attending in person, revoking the proxy and voting at the meeting.

Voting by attorney

You may appoint an attorney to attend and vote at the meeting on your behalf. Your attorney need not be another Sino Gold shareholder. Each attorney will have the right to vote on the poll and also to speak at the meeting.

The power of attorney appointing your attorney to attend and vote at the meeting must be duly executed by you and specify your name, the company (that is, Sino Gold) and the attorney, and also specify the meetings at which the appointment may be used. The appointment may be a standing one.

The power of attorney, or a certified copy of the power of attorney, should be lodged with the Sino Gold Scheme Registry before the meeting or at the registration desk on the day of the meeting.

Attorneys of eligible Sino Gold shareholders will be admitted to the meeting and given a voting card on providing at the point of entry to the meeting written evidence of their appointment, their name and address, and the name of their appointors.

Your appointment of an attorney does not preclude you from attending in person and voting at the meeting.

Voting by body corporate representative

If you are a body corporate, you may appoint an individual to act as your body corporate representative. The appointment must comply with the requirements of section 250D of the Corporations Act, meaning that Sino Gold will require a certificate of appointment of body corporate representative to be executed by you in accordance with the Corporations Act. A form of certificate may be obtained from the Sino Gold Scheme Registry. The certificate should be lodged with the Sino Gold Scheme Registry before the meeting or at the registration desk on the day of the meeting. The certificate will be retained by Sino Gold.

If a certificate is completed by an individual or a corporation under power of attorney, the power of attorney, or a certified copy, must accompany the completed certificate unless the power of attorney has previously been noted by Sino Gold.

Body corporate representatives of eligible Sino Gold shareholders will be admitted to the meeting and given a voting card on providing at the point of entry to the meeting written evidence of their appointment, their name and address, and the name of their appointors.

Annexure – Option Scheme Deed Poll

G

Annexure G

Option Scheme Deed Poll

Freehills

Option Scheme deed poll

Deed poll

Date ► 28 October 2009

This deed poll is made

by

Eldorado Gold Corporation
of 1188 – 550 Burrard Street, Vancouver, BC V6C 2B5, Canada
(**Eldorado**)

and

Eldorado Pacific Pty Limited ACN 140 003 149 of 79 Broadway,
Nedlands, Western Australia 6009 (**Eldorado Sub**)

in favour of

the holders of Sino Gold Options recorded in the Sino Gold Option Register as at the Record Date (each an **Option Scheme Participant**)

Background

- 1 Sino Gold Mining Limited (**Sino Gold**) and Eldorado have entered into the Implementation Deed.
 - 2 In the Implementation Deed, Eldorado agreed to enter into this deed poll.
 - 3 Eldorado and Eldorado Sub are entering into this deed poll for the purpose of covenanting in favour of the Option Scheme Participants to perform their obligations under the Implementation Deed and the Option Scheme.
-

This deed poll provides

Freehills

1 Definitions and interpretation

1 Definitions and interpretation

1.1 Definitions

In this deed poll:

- (a) **'Implementation Deed'** means the scheme implementation deed entered into between Sino Gold and Eldorado dated 26 August 2009 (and subsequently amended);
- (b) **'Option Scheme'** the scheme of arrangement under Part 5.1 of the Corporations Act between Sino Gold and the Option Scheme Participants, under which the Option Scheme Participants will receive the Option Scheme Consideration, in the form attached as Schedule 1 to this deed poll, subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and agreed to by Eldorado and Sino Gold; and
- (c) unless the context otherwise requires, terms defined in the Option Scheme have the same meaning when used in this deed poll.

1.2 Interpretation

Clause 1.2 of the Implementation Deed applies to the interpretation of this deed poll, except that references to 'Implementation Deed' or 'Deed' are to be read as references to 'deed poll'.

1.3 Nature of deed poll

Eldorado and Eldorado Sub acknowledge that this deed poll may be relied on and enforced by any Option Scheme Participant in accordance with its terms even though the Option Scheme Participants are not party to it.

2 Conditions to obligations

2.1 Conditions

The obligations of Eldorado and Eldorado Sub under this deed poll are subject to the Option Scheme becoming Effective.

2.2 Termination

The obligations of Eldorado and Eldorado Sub under this deed poll to Option Scheme Participant will automatically terminate and the terms of this deed poll will be of no further force or effect if:

- (a) the Implementation Deed is terminated in accordance with its terms; or
- (b) the Option Scheme is not Effective by the End Date.

Annexure G

Option Scheme Deed Poll

Freehills

3 Consideration under the Option Scheme

2.3 Consequences of termination

If this deed poll is terminated under clause 2.2, in addition and without prejudice to any other rights, powers or remedies available to it:

- (a) Eldorado and Eldorado Sub are released from their obligations to further perform this deed poll except those obligations under clause 6.2; and
- (b) each Option Scheme Participant retains any rights they have against Eldorado and Eldorado Sub in respect of any breach of this deed poll which occurred before it was terminated.

3 Consideration under the Option Scheme

3.1 Undertaking to issue Scheme Consideration

Subject to clause 2, Eldorado and Eldorado Sub undertake in favour of each Option Scheme Participant to:

- (a) provide or procure the provision of the Option Scheme Consideration to each Option Scheme Participant in accordance with the terms of the Option Scheme; and
- (b) undertake all other actions attributed to it under the Option Scheme, subject to and in accordance with the Option Scheme.

3.2 Shares to rank equally

Eldorado and Eldorado Sub covenant in favour of each Option Scheme Participant that the New Eldorado Shares which are issued to each Option Scheme Participant and CDN in accordance with the Option Scheme will:

- (a) rank equally with all existing Eldorado Shares; and
- (b) be issued fully paid and free from any mortgage, charge, lien, encumbrance or other security interest.

4 Warranties

Eldorado and Eldorado Sub represent and warrant that:

- (a) it is a corporation validly existing under the laws of Canada (in the case of Eldorado) and Australia (in the case of Eldorado Sub);
- (b) it has the corporate power to enter into and perform its obligations under this deed poll and to carry out the transactions contemplated by this deed poll;
- (c) it has taken all necessary corporate action to authorise its entry into this deed poll and has taken or will take all necessary corporate action to authorise the performance of this deed poll and to carry out the transactions contemplated by this deed poll; and

Freehills

5 Continuing obligations

- (d) this deed poll is valid and binding on it.

5 Continuing obligations

This deed poll is irrevocable and, subject to clause 2, remains in full force and effect until:

- (a) Eldorado and Eldorado Sub have fully performed its obligations under this deed poll; or
 (b) the earlier termination of this deed poll under clause 2.2.

6 General

6.1 Notices

- (a) A notice or other communication in respect of this deed poll (**Notice**) must be in writing and delivered by hand or sent by pre-paid post or fax to Eldorado or Eldorado Sub at the address or the fax number for Eldorado and Eldorado Sub set out below or as otherwise specified by Eldorado and Eldorado Sub by Notice:

Attention: Eduardo Moura and Dawn Moss

Address: Eldorado Gold Corporation
 1188 – 550 Burrard Street
 Vancouver, BC V6C 2B5

Fax no: +1 604 687 4026

Copy to:

Attention: Lata Casciano and Josh Lewis

Address: Fasken Martineau DuMoulin LLP
 Barristers and Solicitors
 Suite 2900, 550 Burrard Street
 Vancouver, BC V6C 0A3

Fax no: +1 604 632 4853

- (b) A Notice to or by Eldorado and/or Eldorado Sub must be in legible writing and in English.
 (c) A Notice must be signed by the person giving the Notice or by a person duly authorised by that person.
 (d) Email or similar electronic means of communication must not be used to give Notices in respect of this deed poll.
 (e) A Notice sent by post is regarded as given and received on the second Business Day following the date of postage.
 (f) A fax is regarded as given and received on production of a transmission report by the machine from which the fax was sent which indicates that the fax was sent in its entirety to the recipient's fax number, unless the recipient informs the sender that the Notice is illegible or incomplete within 4 hours of it being transmitted.

Annexure G

Option Scheme Deed Poll

Freehills

6 General

- (g) A Notice delivered or received other than on a Business Day or after 5.00pm (recipient's time) is regarded as received at 9.00am on the following Business Day and a Notice delivered or received before 9.00am (recipient's time) is regarded as received at 9.00am.

6.2 Stamp duty

Eldorado will:

- (a) pay all stamp duties and any related fines and penalties in respect of the Option Scheme and this deed poll, the performance of this deed poll and each transaction effected by or made under the Option Scheme and this deed poll; and
- (b) indemnify each Option Scheme Participant against any liability arising from failure to comply with clause 6.2(a).

6.3 Governing law and jurisdiction

- (a) This deed poll is governed by the law in force in New South Wales.
- (b) Eldorado and Eldorado Sub irrevocably submit to the non-exclusive jurisdiction of courts exercising jurisdiction in New South Wales and courts of appeal from them in respect of any proceedings arising out of or in connection with this deed. Eldorado and Eldorado Sub irrevocably waive any objection to the venue of any legal process in these courts on the basis that the process has been brought in an inconvenient forum.

6.4 Waiver

Eldorado and Eldorado Sub may not rely on the words or conduct of any Option Scheme Participant as a waiver of any right unless the waiver is in writing and signed by the Option Scheme Participant granting the waiver.

6.5 Variation

A provision of this deed poll may not be varied unless the variation is agreed to by Sino Gold, and the Court indicates that the variation would not of itself preclude approval of the Option Scheme, in which event Eldorado and Eldorado Sub will enter into a further deed poll in favour of the Option Scheme Participants giving effect to the variation.

6.6 Cumulative rights

The rights, powers and remedies of Eldorado and Eldorado Sub and the Option Scheme Participants under this deed poll are cumulative and do not exclude any other rights, powers or remedies provided by law independently of this deed poll.

6.7 Assignment

- (a) The rights created by this deed poll are personal to Eldorado and Eldorado Sub and each Option Scheme Participant and must not be dealt with at law or in equity without the prior written consent of Eldorado.
- (b) Any purported dealing in contravention of clause 6.7(a) is invalid.

Freehills

6 General

6.8 Further action

Eldorado and Eldorado Sub must, at their own expense, do all things and execute all documents necessary to give effect to this deed poll.

Annexure G

Option Scheme Deed Poll

Freehills

Schedule 1

Option Scheme

[Attached]

Freehills

Signing page

Executed as a deed poll

Signed sealed and delivered by
Eldorado Gold Corporation
by

sign here ► _____
Authorised signatory

print name _____

sign here ► _____
Witness

print name _____

Signed sealed and delivered by
Eldorado Pacific Pty Limited
by

sign here ► _____
Company Secretary/Director

print name _____

sign here ► _____
Director

print name _____

Annexure – Option Scheme

H H

Freehills

Option scheme of arrangement

This scheme of arrangement is made under section 411 of the *Corporations Act 2001* (Cth)

Between the parties

Sino Gold Mining Limited (ABN 42 093 518 579)
of Level 22, 44 Market Street, Sydney NSW 2000, Australia (**Sino Gold**)

The holders of Sino Gold Options recorded on the Sino Gold Option Register as at the Record Date (each an **Option Scheme Participant**).

1 Definitions and interpretation

1.1 Definitions

The meanings of the terms used in this Option Scheme are set out below.

Term	Meaning
ASIC	the Australian Securities and Investments Commission.
ASX	ASX Limited (ABN 98 008 624 691).
Business Day	a day that is not a Saturday, Sunday or public holiday and on which banks and ASX and TSX are open for business.
CDI	CHESS Depositary Interest, being a unit of beneficial ownership in a New Eldorado Share registered in the name of CDN.
CDN	CHESS Depositary Nominees Pty Limited ACN 071 346 506.

Annexure H

Option Scheme

Freehills

8 General

Term	Meaning
CHESS	the clearing house electronic sub-register system of share transfers operated by ASX Settlement and Transfer Corporation Pty Ltd.
Corporations Act	the <i>Corporations Act 2001</i> (Cth).
Court	the Federal Court of Australia, Sydney Registry or such other court of competent jurisdiction under the Corporations Act agreed to in writing by Eldorado and Sino Gold.
Effective	when used in relation to the Option Scheme, the coming into effect, under section 411(10) of the Corporations Act, of the Court order made under section 411(4)(b) of the Corporations Act in relation to the Option Scheme.
Effective Date	the date on which the Option Scheme becomes Effective.
Eldorado	Eldorado Gold Corporation of 1188 – 550 Burrard Street, Vancouver, BC V6C 2B5, Canada.
Eldorado Register	the register of shareholders maintained by Eldorado or its agent.
Eldorado Sub	Eldorado Pacific Pty Limited (ACN 140 003 149), a wholly owned subsidiary of Eldorado.
Eldorado Group	Eldorado and each of its subsidiaries and a reference to a 'Eldorado Group Member' or a 'member of the Eldorado Group' is to Eldorado or any of its subsidiaries.
Election Date	means 5.00pm on the fifth Business Day after the Effective Date.
End Date	31 March 2010.
Government Agency	any foreign or Australian government or governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity, or any minister of the Crown in right of the Commonwealth of Australia or any other federal, state, provincial, local or other government (foreign or Australian).

Freehills

8 General

Term	Meaning
Implementation Deed	the implementation deed dated 26 August 2009 (as amended) between Sino Gold and Eldorado relating to the implementation of the Option Scheme.
Implementation Date	the fourth calendar day after the Record Date, or such other day as the parties agree.
In-the-money Sino Gold Option Holders	the holders of those Sino Gold Options described in Schedule 1.
Ineligible Foreign Option Participant	an Option Scheme Participant whose address shown in the Sino Gold Option Register is a place outside Australia and its external territories, Canada, China (including Hong Kong but excluding Macao), New Zealand, Singapore, Switzerland, the United Kingdom or the United States of America, unless Eldorado determines that it is lawful and not unduly onerous or impracticable to issue that Option Scheme Participant with CDIs or New Eldorado Shares when the Option Scheme becomes Effective.
Ineligible Foreign Shareholder	has the meaning given in the Share Scheme.
New Eldorado Share	a common share of Eldorado.
Option Scheme Consideration	the consideration payable to Option Scheme Participants as determined in accordance with Schedule 1.
Option Scheme	this scheme of arrangement.
Option Scheme Deed Poll	the deed poll under which Eldorado and Eldorado Sub covenant in favour of the Option Scheme Participants to perform their obligations under the Option Scheme.
Option Scheme Meetings	the class meeting of the In-the-money Sino Gold Option Holders and the separate class meeting of the Out-of-the-money Sino Gold Option Holders each ordered by the Court to be convened under subsection 411(1) of the Corporations Act.
Option Scheme Participants	the holders of Sino Gold Options recorded on the Sino Gold Option Register as at the Record Date

Annexure H

Option Scheme

Freehills

8 General

Term	Meaning
Out-of-the-money Sino Gold Option Holders	the holders of those Sino Gold Options described in Schedule 1.
Record Date	5.00pm on the fifth Business Day after the Effective Date.
Register	the register of members of Sino Gold.
Registered Address	has the meaning given in clause 4.6(e)(1).
Retail Option Scheme Participant	Option Scheme Participants who are entitled to receive 55,000 or less CDIs or New Eldorado Shares (or such other number as may be agreed between Eldorado and Sino Gold in writing) under this Option Scheme (which for the avoidance of doubt excludes any Ineligible Foreign Option Participant).
Sale Agent	Macquarie Capital Markets Canada Ltd, appointed to sell (a) the New Eldorado Shares that are to be issued under clause 4.6(a)(1) and 4.6(a)(2) of the Share Scheme; and (b) the New Eldorado Shares that are to be issued under clause 4.6(a)(1) and 4.6(a)(2) of this Option Scheme.
Sale Election Form	an election form for the purposes of a Retail Option Scheme Participant making an election under clause 4.3(b)(2).
Sale Facility Securities	has the meaning given in clause 4.6(a),
Scheme Booklet	as defined in the Scheme Implementation Deed.
Scheme Options	a Sino Gold Option held by an Option Scheme Participant as at the Record Date.
Scheme Shareholders	holders of fully paid ordinary shares in Sino Gold (other than any member of the Eldorado Group or any person who holds any Sino Gold Shares on behalf of, or for the benefit of, any member of the Eldorado Group) recorded in the register of members of Sino Gold as at the Share Scheme Record Date.
Second Court Date	the first day on which an application made to the Court for an order under paragraph 411(4)(b) of the Corporations Act approving the Option Scheme is heard.

Freehills

8 General

Term	Meaning
Share Election Form	an election form for the purposes of a Option Scheme Participant making an election under clause 4.3(b)(1).
Share Sale Facility	the share sale facility provided for in clause 4.6.
Share Sale Facility Participant	a Option Scheme Participant in respect of whom New Eldorado Shares are issued to the Sale Agent as nominee in trust for such Option Scheme Participant in the circumstances referred to in clause 4.6(a) or in clause 4.5.
Share Scheme	the scheme of arrangement between Sino Gold and the Scheme Shareholders, the form of which is contained in the Scheme Booklet, subject to any alterations or conditions made or required by the Court under subsection 411(6) of the Corporations Act and agreed to by Eldorado, Eldorado Sub and Sino Gold.
Share Scheme Record Date	the "Record Date" as defined in the Share Scheme.
Sino Gold Option	an option to acquire one unissued Sino Gold Share issued: <ul style="list-style-type: none"> (a) by Sino Gold under the Sino Gold Executive and Employee Option Plan; (b) by Sino Gold to Standard Bank Plc on 16 September 2005; (c) by Sino Gold on or around completion of its takeover bid for Golden China Resources Corporation, in replacement of options previously issued by Golden China Resources Corporation to its directors and employees; or (d) by Sino Gold on or around completion of its takeover bid for Golden China Resources Corporation, in replacement of options previously issued by Golden China Resources Corporation to Kingsway Capital of Canada, Inc. and Assif S.A..
Sino Gold Optionholder	a holder of a Sino Gold Option.
Sino Gold Option Register	the register of Sino Gold Options maintained by Sino Gold or its agent.
Sino Gold Share	a fully paid ordinary share in Sino Gold.
Sino Gold Scheme	Registries Limited (ACN 003 209 836) or, following the Implementation Date, Link Market Services Limited (ACN 083

Annexure H

Option Scheme

Freehills

8 General

Term	Meaning
Registrar	214 537).
Trading Day	a day on which the Toronto Stock Exchange is open for trading.
TSX	Toronto Stock Exchange.

1.2 Interpretation

In this Option Scheme:

- (a) Headings and bold type are for convenience only and do not affect the interpretation of this Option Scheme.
- (b) The singular includes the plural and the plural includes the singular.
- (c) Words of any gender include all genders.
- (d) Other parts of speech and grammatical forms of a word or phrase defined in this Option Scheme have a corresponding meaning.
- (e) An expression importing a person includes any company, partnership, joint venture, association, corporation or other body corporate and any Government Agency as well as an individual.
- (f) A reference to a clause, party, schedule, attachment or exhibit is a reference to a clause of, and a party, schedule, attachment or exhibit to, this agreement and a reference to this agreement includes any schedule, attachment and exhibit.
- (g) A reference to any legislation includes all delegated legislation made under it and amendments, consolidations, replacements or re-enactments of any of them.
- (h) A reference to a document (including this Option Scheme) includes all amendments or supplements to, or replacements or novations of, that document.
- (i) A reference to '\$', 'A\$' or 'dollar' is to Australian currency.
- (j) a reference to 'C\$' is to the lawful currency of Canada.
- (k) A reference to any time is a reference to that time in Sydney.
- (l) A term defined in or for the purposes of the Corporations Act has the same meaning when used in this Option Scheme.
- (m) A reference to a party to a document includes that party's successors and permitted assignees.

Freehills

8 General

- (n) No provision of this Option Scheme will be construed adversely to a party because that party was responsible for the preparation of this Option Scheme or that provision.
- (o) A reference to a body, other than a party to this Option Scheme (including an institute, association or authority), whether statutory or not:
 - (1) which ceases to exist; or
 - (2) whose powers or functions are transferred to another body,
 is a reference to the body which replaces it or which substantially succeeds to its powers or functions.

1.3 Interpretation of inclusive expressions

Specifying anything in this Option Scheme after the words 'include' or 'for example' or similar expressions does not limit what else is included.

1.4 Business Day

Where the day on or by which any thing is to be done is not a Business Day, that thing must be done on or by the next Business Day.

2 Preliminary matters

- (a) Sino Gold is a public company registered in New South Wales, Australia.
- (b) As at 28 October 2009:
 - (1) 292,578,478 Sino Gold Shares were on issue; and
 - (2) 12,106,733 Sino Gold Options were on issue.
- (c) Eldorado is a company governed under the laws of Canada.
- (d) Eldorado Sub is a company registered under the laws of Australia.
- (e) If the Option Scheme becomes Effective:
 - (1) Eldorado will provide or procure the provision of the Option Scheme Consideration to Option Scheme Participants in accordance with the Option Scheme; and
 - (2) all the Scheme Options, and all the rights, entitlements and obligations attaching to them as at the Implementation Date, will be cancelled.
- (f) Sino Gold and Eldorado have agreed, by executing the Implementation Deed, to implement the Option Scheme.
- (g) Eldorado and Eldorado Sub have agreed, by executing the Option Scheme Deed Poll, to perform their obligations under this Option Scheme, including the

Annexure H

Option Scheme

Freehills

8 General

obligation to provide or procure the provision of the Scheme Consideration to the Option Scheme Participants.

3 Conditions to the Option Scheme

- (a) This Option Scheme is conditional on:
- (1) all the conditions in clause 3.1 of the Implementation Deed (other than the condition in the Implementation Deed relating to Court approval of this Option Scheme and Court approval of the Share Scheme) having been satisfied or waived in accordance with the terms of the Implementation Deed by 8.00am on the Second Court Date;
 - (2) the Option Scheme has been approved in accordance with subparagraph 411(4)(a)(i) of the Corporations Act of each of the Option Scheme Meetings;
 - (3) approval of this Option Scheme by the Court pursuant to paragraph 411(4)(b) of the Corporations Act;
 - (4) approval of the Share Scheme by the Court pursuant to paragraph 411(4)(b) of the Corporations Act; and
 - (5) the Implementation Deed not having been terminated by either party to that deed before 8.00am on the Second Court Date.
- (b) The satisfaction of the conditions precedent in clause 3(a) is a condition precedent to the operation of clause 4.
- (c) The Option Scheme will lapse and be of no further force or effect if the Effective Date does not occur on or before the End Date or any later date Sino Gold and Eldorado agree.
- (d) Sino Gold and Eldorado will provide to the Court at the Second Court Date a certificate confirming (in respect of matters within their knowledge) whether or not the conditions precedent in the Implementation Deed and this Option Scheme (other than the condition precedent in clause 3.1(c) and 3.1(n) of the Implementation Deed) have been satisfied or waived. The certificate constitutes conclusive evidence that such conditions precedent are satisfied, waived or taken to be waived.

4 Implementation of the Option Scheme

4.1 Lodgement of Court orders

Sino Gold will lodge with ASIC office copies of the Court orders under subsection 411(10) of the Corporations Act approving the Option Scheme by 5.00pm on the first Business Day after the day on which the Court approves the Option Scheme.

Freehills

8 General

4.2 Cancellation of Scheme Options

- (a) Subject to the conditions precedent in clause 3 and the provision of the Option Scheme Consideration in the manner contemplated by clause 4.4, on the Implementation Date all of the Scheme Options, together with all rights, obligations and entitlements attaching to them as at the Implementation Date, will be cancelled and extinguished, without the need for any further act by any Option Scheme Participant, and the Option Scheme Participant:
- (1) releases Sino Gold from all obligations in relation to those Scheme Options;
 - (2) release and waives any and all rights the Option Scheme Participant may have had (including to be issued Sino Gold Shares) in relation to those Scheme Options (including under the relevant option plan or under the terms of the relevant Scheme Options); and
 - (3) authorises Sino Gold to update the Sino Gold Option Register recording the cancellation of the Sino Gold Options that constitute the Scheme Options.
- (b) On the Implementation Date, in consideration for the cancellation of their Scheme Options, each Option Scheme Participant will be entitled to receive the Option Scheme Consideration in accordance with clause 4.4.
- (c) The Option Scheme Participants agree to the cancellation of their Scheme Options by Sino Gold in accordance with the terms of this Option Scheme.

4.3 Election Procedure

- (a) Subject to clause 4.3(b), clause 4.5 and clause 4.7, an Option Scheme Participant will receive the Option Scheme Consideration in the form of CDIs. An Option Scheme Participant who wishes to receive the Scheme Consideration in the form of CDIs does not need to make an election under clause 4.3(b).
- (b) Subject to the remaining provisions of this clause 4.3 and clause 4.5:
- (1) each Option Scheme Participant (other than a Retail Option Scheme Participant who has made and not withdrawn an election to participate in the Share Sale Facility under paragraph (2) below) will be entitled to elect to receive Option Scheme Consideration in the form of New Eldorado Shares rather than CDIs, by completing the Share Election Form and returning it to the address specified in the Share Election Form so that it is received by the Election Date; and
 - (2) each Retail Option Scheme Participant (other than one who has made and not withdrawn an election under paragraph (1) above) will be entitled to elect to participate in the Share Sale Facility by completing the Sale Election Form and returning it to the address specified in the Sale Election Form so that it is received by the Election Date.
- (c) An Ineligible Foreign Option Participant is not entitled to make any election pursuant to clause 4.3(b) and any election purportedly made by it will be invalid. Ineligible Foreign Option Participants will have their Option Scheme

Annexure H

Option Scheme

Freehills

8 General

Consideration (which will be issued in the form of New Eldorado Shares rather than CDIs) dealt with in accordance with clauses 4.5, 4.6 and 4.7.

- (d) An election under clause 4.3(b) must be made in accordance with the terms and conditions on the Share Election Form or Sale Election Form, as the case may be.
- (e) An Option Scheme Participant (other than an Ineligible Foreign Option Participant) who does not make a valid election under clause 4.3(b) will be deemed to have elected to receive Option Scheme Consideration in the form of CDIs.
- (f) Subject to clause 4.3(g), a valid election made or deemed to be made by a Option Scheme Participant under this clause 4.3 will be deemed to apply in respect of the Option Scheme Participant's entire holding of Scheme Options, regardless of whether the Option Scheme Participant's holding of Scheme Options is greater or less than the Option Scheme Participant's holding at the time it made its election.
- (g) An Option Scheme Participant (other than an Ineligible Foreign Option Participant and other than a Retail Option Scheme Participant who has made and not withdrawn an election to participate in the Share Sale Facility under clause 4.3(b)(2)) who is noted on the Sino Gold Option Register as holding one or more parcels of Sino Gold Options as trustee or nominee for, or otherwise on account of, another person:
 - (1) may make separate elections under clause 4.3(b)(1) in relation to each of those parcels of Sino Gold Options (subject to it providing to Sino Gold and Eldorado any substantiating information they reasonably require), and an election made in respect of any such parcel, or an omission to make an election in respect of any such parcel, will not be taken to extend to the other parcels; but
 - (2) may not make separate elections under clause 4.3(b)(2) in relation to each of those parcels of Sino Gold Options.
- (h) An Option Scheme Participant may vary or withdraw any election made by it under this clause 4.3. To validly vary such an election, an Option Scheme Participant must lodge a replacement Share Election Form or Sale Election Form, as the case may be, by the Election Date. To withdraw such an election, an Option Scheme Participant must follow the procedure set out in the Scheme Booklet or in the Share Election Form or in the Sale Election Form.
- (i) Subject to clause 4.3(j), an election which is not made or deemed to have been made in accordance with this clause 4.3 will not be a valid election for the purpose of this Option Scheme and will not be recognised by Sino Gold, Eldorado Sub or Eldorado for any purpose.
- (j) Sino Gold may, with the agreement of Eldorado, settle as it thinks fit any difficulty, matter of interpretation or dispute which may arise in connection with determining the validity of any election, and any such decision will be conclusive and binding on Sino Gold, Eldorado, Eldorado Sub and the relevant Option Scheme Participant.

Freehills

8 General

4.4 Provision of Option Scheme Consideration

Subject to clauses 4.4(d), 4.5 and 4.7, the obligation of Eldorado and Eldorado Sub to provide or procure the provision of the Option Scheme Consideration to Option Scheme Participants will be satisfied by Eldorado:

- (a) in the case of Option Scheme Consideration that is required to be provided to Option Scheme Participants in the form of New Eldorado Shares, by Eldorado procuring that:
 - (1) the name and address of each such Option Scheme Participant is entered into the Eldorado Register on the Implementation Date in respect of the New Eldorado Shares to which it is entitled under this clause 4; and
 - (2) a share certificate or holding statement (or equivalent document) is sent to the Registered Address of each such Option Scheme Participant representing the number of New Eldorado Shares issued to the Option Scheme Participant pursuant to this Option Scheme;
- (b) in the case of Option Scheme Consideration that is required to be provided to Option Scheme Participants in the form of CDIs, by Eldorado:
 - (1) issuing to CDN to be held on trust that number of New Eldorado Shares that will enable CDN to issue CDIs as envisaged by clause 4.4(b)(3) on the Implementation Date;
 - (2) procuring that the name and address of CDN is entered into the Eldorado Register in respect of those New Eldorado Shares on the Implementation Date and that a share certificate or holding statement (or equivalent document) in the name of CDN representing those New Eldorado Shares is sent to CDN;
 - (3) procuring that on the Implementation Date, CDN issues to each such Option Scheme Participant the number of CDIs to which it is entitled under this clause 4;
 - (4) procuring that on the Implementation Date, the name of each such Option Scheme Participant is entered in the records maintained by CDN as the holder of the CDIs issued to that Option Scheme Participant on the Implementation Date; and
 - (5) procuring that the CDIs are held on the issuer sponsored subregister on the Implementation Date and sending or procuring the sending of a CDI holding statement to each such Option Scheme Participant which sets out the number of CDIs held on the issuer sponsored subregister by that Option Scheme Participant; and
- (c) in the case of Option Scheme Consideration that is required to be dealt with following valid elections under clause 4.3(b)(2) and as a result of the operation of clause 4.5, by Eldorado procuring that:
 - (1) the name and registered address of the Sale Agent, as nominee in trust for the Share Sale Facility Participants, is entered into the Eldorado Register on the Implementation Date in respect of the New Eldorado Shares required to be issues to it under this clause 4;

Annexure H

Option Scheme

Freehills

8 General

- (2) a share certificate or holding statement (or equivalent document) in the name of the Sale Agent is sent to the Sale Agent, as nominee in trust for the Share Sale Facility Participants, representing the number of New Eldorado Shares so issued to it;
 - (3) the Sale Agent, as nominee in trust for the Share Sale Facility Participants, sells those New Eldorado Shares on behalf of the Share Sale Facility Participants, and pays the proceeds to the Sino Gold Scheme Registrar, in trust for the Share Sale Facility Participants, in accordance with clause 4.6; and
 - (4) the Sino Gold Scheme Registrar pays the proceeds on to the Share Sale Facility Participants in accordance with clause 4.6.
- (d) In the case of joint holders of Scheme Options:
- (1) the New Eldorado Shares or CDIs to be issued under this Option Scheme will be issued to and registered in the names of the joint holders;
 - (2) any cheque required to be sent under this Option Scheme will be made payable to the joint holders and sent to the holder whose name appears first in the Sino Gold Share Register; and
 - (3) any other document required to be sent under this Option Scheme, will be forwarded to the holder whose name appears first in the Sino Gold Option Register as at the Record Date.

4.5 Ineligible Foreign Option Participants

Eldorado will be under no obligation to issue any New Eldorado Shares or CDIs under this Option Scheme to any Ineligible Foreign Option Participants and must instead procure that the number of New Eldorado Shares that would have been issued to an Ineligible Foreign Option Participant had they not been an Ineligible Foreign Option Participant are dealt with on behalf of the Ineligible Foreign Option Participant in accordance with clause 4.6 and 4.7.

4.6 Share Sale Facility

- (a) New Eldorado Shares that:
- (1) but for an election by a Retail Option Scheme Participant under clause 4.3(b)(2), would have been issued to that Retail Option Scheme Participant or CDN in respect of that Retail Option Scheme Participant (rounded down to the nearest whole number in accordance with clause 4.7); or
 - (2) are required to be dealt with under this clause by virtue of clause 4.5 (rounded down to the nearest whole number in accordance with clause 4.7),

must be issued by Eldorado to the Sale Agent, as nominee in trust for the Share Sale Facility Participants, on the Implementation Date (rounded down, if necessary to the nearest whole number) (together with the New Eldorado Shares to be issued by Eldorado to the Sale Agent, as nominee in trust for the Share Sale Facility Participants, on the Implementation Date under clause

Freehills

8 General

4.6(a)(1) and 4.6(a)(2) of the Share Scheme, the **Sale Facility Securities**) and subsequently sold in accordance with the remaining provisions of this clause 4.6.

- (b) The Share Sale Facility will only be available in respect of New Eldorado Shares issued to the Sale Agent, as nominee in trust for the Share Sale Facility Participants, in the circumstances referred to in clause 4.6(a). Any purported election by an Option Scheme Participant to participate in the Share Sale Facility in any other circumstances will be invalid and not recognised for any purpose.
- (c) Eldorado must procure that the Sale Agent:
- (1) within 15 Trading Days after the Implementation Date, sells the Sale Facility Securities on the Toronto Stock Exchange and/or on other Canadian electronic markets in such manner, including selling the Sale Facility Securities in one or more lots, at such price or prices and on such other terms as the Sale Agent determines in good faith;
 - (2) deducts from the C\$ gross proceeds of such sale of all Sale Facility Securities any taxes applicable to those Sale Facility Securities;
 - (3) within 5 Trading Days after the last sale of Sale Facility Securities is completed under (1) above, arranges for the conversion of the net proceeds of all such sales referred to in (2) above from C\$ to A\$; and
 - (4) within one Trading Day after conversion of those net proceeds to A\$ under (3) above, pays that A\$ amount (after having deducted any applicable currency conversion costs) to the Sino Gold Scheme Registrar, in trust for the Share Sale Facility Participants, by telegraphic transfer of clear funds to an A\$ account nominated by the Sino Gold Scheme Registrar.
- (d) Within 7 Business Days after the date on which the Sale Agent remits the A\$ amount referred to in clause 4.6(c)(4) to the Sino Gold Scheme Registrar, Eldorado and Sino Gold will cause the Sino Gold Scheme Registrar to pay to:
- (1) each Retail Option Scheme Participant who has made and not withdrawn an election to participate in the Share Sale Facility under clause 4.3(b)(2);
 - (2) each Retail Scheme Shareholder who has made and not withdrawn an election to participate in the Share Sale Facility under clause 4.3(b)(2) of the Share Scheme;
 - (3) each Ineligible Foreign Shareholder; and
 - (2) each Ineligible Foreign Option Participant,
- their pro-rata share of the A\$ amount referred to in clause 4.6(c)(4), being the proportion which the number of Sale Facility Securities attributable to them bears to the total number of Sale Facility Securities. The amount payable to each Share Sale Facility Participant under this clause will, if necessary, be rounded down to the nearest whole cent, and any part of the A\$ amount referred to in clause 4.6(c)(4) remaining after such rounding will be paid by the Sino Gold Scheme Registrar to a charity nominated by Sino Gold.
- (e) Share Sale Facility Participants agree that the amount referred to in clause 4.6(d) may be paid by the Sino Gold Scheme Registrar doing any of the following at the Sino Gold Scheme Registrar's election:

Annexure H

Option Scheme

Freehills

8 General

- (1) sending a cheque or money order for that amount (after having deducted any applicable taxes) by pre-paid post (or pre-paid airmail if the address is outside Australia) to the Share Sale Facility Participant's address as shown in the Sino Gold Option Register as at the Record Date (the **Registered Address**);
 - (2) depositing that amount into an account with any bank notified to Sino Gold (or any agent of Sino Gold) by an appropriate written authority from the Share Sale Facility Participant, whether in A\$ or after having arranged for the conversion of that amount into a currency other than A\$ in accordance with the written authority from the Share Sale Facility Participant, and after having deducted any applicable taxes or currency conversion costs; or
 - (3) in the event that a Share Sale Facility Participant does not have a Registered Address or the Sino Gold Scheme Registrar believes an Share Sale Facility Participant is not known at its Registered Address, and no account has been notified in accordance with clause 4.6(e)(2) or a deposit into such an account is rejected or refunded, the Sino Gold Scheme Registrar must hold the amount on trust until the Share Sale Facility Participant claims the amount (in which case the Sino Gold Share Scheme Registrar may pay that amount in accordance with (1) or (2) above) or the amount is dealt with in accordance with unclaimed money legislation. Any benefit accruing from the amount while it is held on trust will be to the benefit of Sino Gold. An amount credited to the account is to be treated as having been paid to the Share Sale Facility Participant. Sino Gold must procure that records are maintained of the amounts paid, the people who are entitled to the amounts and any transfers of the amounts.
- (f) Payment by the Sino Gold Scheme Registrar to a Share Sale Facility Participant in accordance with this clause 4.6 satisfies in full the Share Sale Facility Participant's right to the Option Scheme Consideration.
- (g) None of Sino Gold, Eldorado, Eldorado Sub, the Sale Agent or the Sino Gold Scheme Registrar gives any assurance as to the price that will be achieved for the sale of the Sale Facility Securities by the Sale Agent. The sale of the Sale Facility Securities under this clause 4.6 will be at the risk of the Share Sale Facility Participant.
- (h) Despite the other provisions in this clause 4.6, if Eldorado is of the opinion, formed reasonably, that several Option Scheme Participants have, before the Record Date, been party to a optionholding splitting or division in an attempt to obtain an advantage by reference to eligibility to participate in the Share Sale Facility, Eldorado may direct Sino Gold to give notice to those Option Scheme Participants:
- (1) setting out the names and Registered Addresses of all of them;
 - (2) stating that opinion; and
 - (3) attributing to one of them specifically identified in the notice the Sino Gold Options held by all of them,

and, after the notice has been so given, the Option Scheme Participant specifically identified in the notice shall, for the purposes of determining eligibility as a Retail Option Scheme Participant, be taken to hold all those Sino

Freehills

8 General

Gold Options and each of the other Option Scheme Participants whose names are set out in the notice shall be taken to hold no Sino Gold Options.

4.7 Fractional entitlements

Where the calculation of the number of New Eldorado Shares to be issued to a particular Option Scheme Participant would result in the issue of a fraction of a New Eldorado Share or a fraction of a CDI, the fractional entitlement will be rounded down to the nearest whole number of New Eldorado Shares or CDIs.

5 Issue and trading

- (a) The New Eldorado Shares will be duly and validly issued in accordance with the laws of Canada and Eldorado's restated articles of incorporation and bylaws, will be issued fully paid and will rank equally in all respects with all other common shares of Eldorado then issued and outstanding.
- (b) The Option Scheme Participants agree to be bound by Eldorado's restated articles of incorporation and bylaws.
- (c) Each Option Scheme Participant shall be deemed to have irrevocably appointed Eldorado and each of its directors and officers (jointly and severally) as its attorneys for the purpose of executing any form of application, letter of transmittal or other instruments or documents required for the New Eldorado Shares or CDIs.

6 Dealings in Sino Gold Options

6.1 Exercise prior to Share Scheme Record Date

For the purpose of establishing who are Option Scheme Participants, Sino Gold will not accept as valid, nor recognise for any purpose, any notice of exercise of a Sino Gold Option registered in the name of a Sino Gold Optionholder:

- (a) received after 5.00pm on the day which is the Business Day immediately before the Share Scheme Record Date; or
- (b) which is not in accordance with the terms of grant of the Sino Gold Options.

6.2 Registration as holder of ordinary shares

Sino Gold will issue, and register the Sino Gold Optionholder as the holder of, a Sino Gold Share in respect of the exercise of a Sino Gold Option registered in the name of the Sino Gold Optionholder permitted by clause 6.1 and in accordance with the terms of grant of the Sino Gold Options, and the Sino Gold Optionholder acknowledges and agrees that, if the Share Scheme becomes Effective, the Sino Gold Optionholder will be bound by the terms of the Share Scheme in respect of each such Sino Gold Share and, accordingly,

Annexure H

Option Scheme

Freehills

8 General

each such Sino Gold Share will be transferred to Eldorado Sub in accordance with the Share Scheme on the Implementation Date.

6.3 Sino Gold Option Register

- (a) For the purpose of determining entitlements to the Option Scheme Consideration, Sino Gold will, until the Option Scheme Consideration has been provided, maintain the Sino Gold Option Register in accordance with the provisions of this clause 6 and the Sino Gold Option Register in this form will solely determine entitlements to the Option Scheme Consideration.
- (b) Sino Gold must procure that, on or before 9.00am on the Business Day following the Share Scheme Record Date, details of the names, Registered Addresses and holdings of Sino Gold Options of every Option Scheme Participant as shown in the Sino Gold Option Register at the Option Scheme Record Date and details of all Share Election Forms and Sale Election Forms validly submitted and not revoked are available to Eldorado in such form as Eldorado may reasonable require.
- (c) As from the Option Scheme Record Date, all Sino Gold Option certificates will cease to have effect and each entry on the Sino Gold Option Register at that date will cease to have any effect other than as evidence of entitlement to the Option Scheme Consideration.

7 General provisions

7.1 Consent to amendments to the Option Scheme

If the Court proposes to approve the Option Scheme subject to any alterations or conditions, Sino Gold may by its counsel consent on behalf of all persons concerned to those alterations or conditions to which Eldorado and Eldorado Sub has consented.

7.2 Option Scheme Participants' agreements and warranties

Each Option Scheme Participant:

- (a) agrees to the cancellation of their Sino Gold options in accordance with the Option Scheme and agrees to the cancellation of the rights attached to their Sino Gold Options constituted by or resulting from the Option Scheme;
- (b) acknowledges that the Option Scheme binds all Option Scheme Participants; and
- (c) is taken to have warranted to Sino Gold, Eldorado and Eldorado Sub, and appointed and authorised Sino Gold as its attorney and agent to warrant to Eldorado and Eldorado Sub, that all their Sino Gold Options (including any rights and entitlements attaching to those options) which are cancelled under the Option Scheme will, at the date of cancellation, be free from all mortgages, charges, liens, encumbrances and interests of third parties of any kind, whether legal or otherwise, and, subject only to the relevant option terms, restrictions on transfer of any kind, and that, subject only to the relevant option terms, they

Freehills

8 General

have full power and capacity to deal with their Sino Gold Options together with any rights attaching to those options. Sino Gold undertakes that it will provide such warranty to Eldorado and Eldorado Sub as agent and attorney of each Option Scheme Participant.

7.3 Appointment of sole proxy

Upon the Option Scheme becoming Effective, each Option Scheme Participant:

- (a) is deemed to have appointed Eldorado Sub as attorney and agent (and directed Eldorado Sub in each such capacity) to appoint any director, officer, secretary or agent nominated by Eldorado Sub as its sole proxy and, where applicable or appropriate, corporate representative to attend Sino Gold meetings, exercise the votes attaching to the Scheme Options (if any) registered in their name and sign any resolution or document, and no Option Scheme Participant may itself attend or vote at any of those meetings or sign any resolutions, whether in person, by proxy or by corporate representative (other than pursuant to this clause 7.3(a)); and
- (b) must take all other actions in the capacity of a registered holder of Scheme Options as Eldorado Sub reasonably directs.

7.4 Authority given to Sino Gold

- (a) Option Scheme Participants will be deemed to have authorised Sino Gold, and all its directors, officers and secretaries, to do and execute all acts, matters, things and documents on the part of each Option Scheme Participant necessary to implement the scheme.
- (b) Each Option Scheme Participant, without the need for any further act, irrevocably appoints Sino Gold and all of its directors, officers and secretaries (jointly and severally) as its attorney and agent for the purpose of executing any document necessary to give effect to the Option Scheme.

8 General

8.1 Stamp duty

Sino Gold will pay all stamp duty payable in connection with the cancellation of the Sino Gold Options.

8.2 Consent

The Option Scheme Participants consent to Sino Gold doing all things necessary or incidental to the implementation of the Option Scheme.

8.3 Notices

If a notice, transfer, transmission application, direction or other communication referred to in the Option Scheme is sent by post to Sino Gold, it will not be taken to be received in

Annexure H

Option Scheme

Freehills

8 General

the ordinary course of post or on a date and time other than the date and time (if any) on which it is actually received at Sino Gold registered office or at the office of the Sino Gold Scheme Registrar.

8.4 Governing law

- (a) The Option Scheme is governed by the laws in force in New South Wales.
- (b) Each party irrevocably submits to the non-exclusive jurisdiction of courts exercising jurisdiction in New South Wales and courts of appeal from them in respect of any proceedings arising out of or in connection with this Option Scheme. Each party irrevocably waives any objection to the venue of any legal process in these courts on the basis that the process has been brought in an inconvenient forum.

8.5 Further action

Sino Gold must do all things and execute all documents necessary to give full effect to this Option Scheme and the transactions contemplated by it.

Freehills

Schedule 1

Option Scheme Consideration

Option series	Expiry date	Exercise price	Value per Option	Option Scheme Consideration: number of CDIs or New Eldorado Shares, per Option	Total number of Options in the series
EEOP Directors	31/12/10	A\$3.13	A\$4.04	0.3097	800,000
EEOP Directors	31/12/11	A\$6.34	A\$0.83	0.0634	1,370,000
EEOP Directors*	09/11/12	A\$7.49	A\$2.51	0.1923	850,000
EEOP Directors	09/12/13	A\$4.35	A\$2.82	0.2161	858,750
EEOP Employees	31/12/09	A\$1.84	A\$5.33	0.4088	95,000
EEOP Employees	01/09/12	A\$5.59	A\$1.58	0.1209	40,000
EEOP Employees	31/12/10	A\$3.13	A\$4.04	0.3097	550,000
EEOP Employees	06/03/11	A\$3.65	A\$3.52	0.2698	150,000
EEOP Employees	31/12/11	A\$6.34	A\$0.83	0.0634	1,590,000
EEOP Employees	08/05/12	A\$5.83	A\$1.34	0.1025	150,000
EEOP Employees	30/09/12	A\$5.71	A\$1.46	0.1117	50,000
EEOP Employees	30/09/12	A\$6.04	A\$1.13	0.0864	120,000
EEOP Employees*	09/11/12	A\$7.49	A\$2.51	0.1923	1,495,000
EEOP Employees	04/12/12	A\$6.73	A\$0.44	0.0334	40,000
EEOP Employees	20/10/13	A\$4.01	A\$3.16	0.2422	150,000
EEOP Employees	09/12/13	A\$4.35	A\$2.82	0.2161	1,847,500
EEOP Employees	28/01/14	A\$4.46	A\$2.71	0.2077	150,000
EEOP Employees	01/03/14	A\$5.45	A\$1.72	0.1317	80,000
EEOP Employees	13/07/14	A\$4.76	A\$2.41	0.1846	380,000
Standard Bank Plc	16/09/10	A\$2.37	A\$4.80	0.3681	250,000
GCX (Apr-05)*	12/04/10	C\$9.52	A\$0.24	0.0186	109,730
GCX (Dec-06 Series 1)*#	31/12/09	C\$15.19	A\$0.00	0.0000	35,552
GCX (Dec-06 Series 2)	31/12/09	C\$2.91	A\$3.95	0.3034	27,508
GCX (Dec-06 Series 3)*	03/11/10	C\$7.72	A\$1.04	0.0797	29,626
GCX (Mar-07)	14/03/12	C\$3.67	A\$3.11	0.2390	88,392
GCX (Apr-07)	04/04/12	C\$3.00	A\$3.85	0.2958	21,975
GCX (Kingsway/Assif)	08/08/12	C\$5.47	A\$1.13	0.0865	777,700

Annexure H

Option Scheme

Freehills

Schedule 1 Option Scheme Consideration

- * A Sino Gold out-of-the-money option (all other options are Sino Gold in-the-money options).
- # The value for all Options in this series is A\$21.

Annexure – Notice of Option Scheme Meeting 1



Annexure I

Notice of Option Scheme Meeting 1



Sino Gold Mining Limited
ABN 42 093 518 579

Notice of Court Ordered Meeting of Sino Gold Out of the Money Optionholders

Notice is given that, by an order of the Court made on 28 October 2009 pursuant to section 411(1) of the Corporations Act, a meeting of Sino Gold out of the money optionholders will be held at the Hilton Sydney, Level 2, Function Room 3, 488 George Street, Sydney, Australia on Wednesday, 2 December 2009, commencing at 10.30am or immediately after the Share Scheme Meeting (whichever is later).

Purpose of the meeting

The purpose of the meeting is to consider and, if thought fit, to pass a resolution agreeing to a creditors' scheme of arrangement (the **Option Scheme**) proposed between Sino Gold and Sino Gold optionholders.

A copy of the Option Scheme and the explanatory statement required by section 412 of the Corporations Act in relation to it are contained in the booklet of which this notice forms part.

Resolution

The meeting will be asked to consider and, if thought fit, pass the following resolution:

THAT, pursuant to and in accordance with section 411 of the *Corporations Act 2001* (Cth), the creditors' scheme of arrangement proposed between Sino Gold Mining Limited and Sino Gold optionholders, as contained in and more particularly described in the booklet of which the notice convening this meeting forms part, is agreed to (with or without modification as approved by the Federal Court of Australia).

Chairman

The Court has appointed James Askew (Chairman, Sino Gold) or, failing him, Brian Davidson, to act as chairman of the meeting and has directed the chairman to report the result of the resolution to the Court.

Dated 28 October 2009

By order of the Board
Sino Gold Mining Limited

A handwritten signature in black ink, appearing to read 'Ivo Polovineo'.

Ivo Polovineo
Company Secretary

Explanatory notes to notice of Option Scheme Meeting 1

General

This notice should be read in conjunction with the entire booklet of which it forms part. The booklet contains important information to assist you in determining how to vote on the resolution.

Terms used but not defined in this notice have the defined meanings set out in section 13 of the booklet.

A copy of the Option Scheme is set out in annexure H to the booklet.

Required voting majority

Under section 411(4)(a) of the Corporations Act:

- the resolution to approve the Option Scheme must be passed at the meeting by a majority in number of Sino Gold out of the money optionholders present and voting (either in person or by proxy, attorney or, in the case of bodies corporate, body corporate representative) at the meeting, being a majority whose debts or claims against Sino Gold amount in aggregate to at least 75% of the total amount of the debts and claims of the out of the money optionholders present and voting; and
- the same resolution must be passed at Option Scheme Meeting 2 by a required majority of Sino Gold in the money optionholders.

For this purpose, the debts or claims of a Sino Gold out of the money optionholder against Sino Gold will be equal to the value of the Option Scheme Consideration that would be payable to it under the Option Scheme in respect of its Sino Gold out of the money options.

Court approval

Under section 411(4)(b) of the Corporations Act, the Option Scheme (with or without modification) is subject to the approval of the Court. If the resolution put to the meeting is passed by the requisite majorities and the other Conditions Precedent to the Option Scheme (other than approval by the Court) are satisfied or waived by the time required under the Option Scheme, Sino Gold intends to apply to the Court for the necessary orders to give effect to the Option Scheme.

Entitlement to vote

Under section 411 of the Corporations Act and all other enabling powers, the Court has determined that the time for determining eligibility to vote at the meeting is 5.00pm¹ on Monday, 30 November 2009. Only those Sino Gold out of the money optionholders entered on the Sino Gold Option Register at that time will be entitled to attend and vote at the meeting. The remaining comments in these explanatory notes are addressed to Sino Gold out of the money optionholders entitled to attend and vote at the meeting.

How to vote

Voting will be by poll. You may vote at the meeting by:

- attending and voting in person;
- appointing one or two proxies to attend and vote on your behalf, using the green Proxy Form that accompanied the booklet;
- appointing an attorney to attend and vote on your behalf, using a power of attorney; or
- in the case of a body corporate, appointing a body corporate representative to attend and vote on your behalf, using a certificate of appointment of body corporate representative.

Attendance

If you or your representative(s) plan to attend the meeting, please arrive at the venue at least 30 minutes before the scheduled time for commencement, so that your optionholding can be checked against the Sino Gold Option Register, any power of attorney or certificate of appointment of body corporate representative verified, and you or your representative's attendance noted.

Voting in person

To vote in person, you must attend the meeting.

Eligible Sino Gold optionholders who wish to attend and vote at the meeting in person will be admitted and given a voting card on disclosure at the point of entry to the meeting of their name and address.

Voting by proxy

You may appoint one or two proxies. Your proxy need not be another Sino Gold out of the money optionholder. Each proxy will have the right to vote on a poll and also to speak at the meeting.

To appoint a proxy, you should complete and return the green Proxy Form that accompanied the booklet in accordance with the instructions on that form. The deadline for receipt of Proxy Forms by the Sino Gold Scheme Registry is 10.30am on Monday, 30 November 2009.

Note:

1 2.00pm Hong Kong time.

Annexure I

Notice of Option Scheme Meeting 1

If you wish to appoint a second proxy, a second Proxy Form should be used and you should clearly indicate on the second Proxy Form that it is a second proxy and not a revocation of your first proxy. You can obtain a second Proxy Form from the Sino Gold Scheme Registry. Replacement Proxy Forms can also be obtained from the Sino Gold Scheme Registry.

If you appoint two proxies, each proxy should be appointed to represent a specified proportion of your voting rights. If you do not specify the proportions in the Proxy Forms, each proxy may exercise half of your votes with any fractions of votes disregarded.

You should consider how you wish your proxy to vote. That is, whether you want your proxy to vote 'For' or 'Against', or abstain from voting on, the resolution, or whether to leave the decision to the proxy after he or she has considered the matters discussed at the meeting.

If you do not direct your proxy how to vote on an item of business, the proxy may vote, or abstain from voting, as he or she thinks fit. If you instruct your proxy to abstain from voting on an item of business, he or she is directed not to vote on your behalf, and the options the subject of the proxy appointment will not be counted in computing the required majority.

If you return your Proxy Form:

- without identifying a proxy on it, you will be taken to have appointed the chairman of the meeting as your proxy to vote on your behalf; or
- with a proxy identified on it but your proxy does not attend the meeting, the chairman of the meeting will act in place of your nominated proxy and vote in accordance with any directions on your Proxy Form.

The chairman of the meeting, all other Sino Gold directors and the Sino Gold company secretary intend to vote all valid undirected proxies which nominate them in favour of the resolution, in the absence of a Superior Proposal.

Proxies of eligible Sino Gold out of the money optionholders will be admitted to the meeting and given a voting card on providing at the point of entry to the meeting written evidence of their name and address.

Your appointment of a proxy does not preclude you from attending in person, revoking the proxy and voting at the meeting.

Voting by attorney

You may appoint an attorney to attend and vote at the meeting on your behalf. Your attorney need not be another Sino Gold out of the money optionholder. Each attorney will have the right to vote on the poll and also to speak at the meeting.

The power of attorney appointing your attorney to attend and vote at the meeting must be duly executed by you and specify your name, the company (that is, Sino Gold) and the attorney, and also specify the meetings at which the appointment may be used. The appointment may be a standing one.

The power of attorney, or a certified copy of the power of attorney, should be lodged with the Sino Gold Scheme Registry before the meeting or at the registration desk on the day of the meeting.

Attorneys of eligible Sino Gold out of the money optionholders will be admitted to the meeting and given a voting card on providing at the point of entry to the meeting written evidence of their appointment, their name and address, and the name of their appointors.

Your appointment of an attorney does not preclude you from attending in person and voting at the meeting.

Voting by body corporate representative

If you are a body corporate, you may appoint an individual to act as your body corporate representative. The appointment must comply with the requirements of section 250D of the Corporations Act, meaning that Sino Gold will require a certificate of appointment of body corporate representative to be executed by you in accordance with the Corporations Act. A form of certificate may be obtained from the Sino Gold Scheme Registry. The certificate should be lodged with the Sino Gold Scheme Registry before the meeting or at the registration desk on the day of the meeting. The certificate will be retained by Sino Gold.

If a certificate is completed by an individual or a corporation under power of attorney, the power of attorney, or a certified copy, must accompany the completed certificate unless the power of attorney has previously been noted by Sino Gold.

Body corporate representatives of eligible Sino Gold optionholders will be admitted to the meeting and given a voting card on providing at the point of entry to the meeting written evidence of their appointment, their name and address, and the name of their appointors.

Annexure – Notice of Option Scheme Meeting 2

J

Annexure J

Notice of Option Scheme Meeting 2



Sino Gold Mining Limited
ABN 42 093 518 579

Notice of Court Ordered Meeting of Sino Gold In the Money Optionholders

Notice is given that, by an order of the Court made on 28 October 2009 pursuant to section 411(1) of the Corporations Act, a meeting of Sino Gold in the money optionholders will be held at the Hilton Sydney, Level 2, Function Room 3, 488 George Street, Sydney, Australia on Wednesday, 2 December 2009, commencing at 11.00am or immediately after Option Scheme Meeting 1 (whichever is later).

Purpose of the meeting

The purpose of the meeting is to consider and, if thought fit, to pass a resolution agreeing to a creditors' scheme of arrangement (the **Option Scheme**) proposed between Sino Gold and Sino Gold optionholders.

A copy of the Option Scheme and the explanatory statement required by section 412 of the Corporations Act in relation to it are contained in the booklet of which this notice forms part.

Resolution

The meeting will be asked to consider and, if thought fit, pass the following resolution:

THAT, pursuant to and in accordance with section 411 of the *Corporations Act 2001* (Cth), the creditors' scheme of arrangement proposed between Sino Gold Mining Limited and Sino Gold optionholders, as contained in and more particularly described in the booklet of which the notice convening this meeting forms part, is agreed to (with or without modification as approved by the Federal Court of Australia).

Chairman

The Court has appointed James Askew (Chairman, Sino Gold) or, failing him, Brian Davidson, to act as chairman of the meeting and has directed the chairman to report the result of the resolution to the Court.

Dated 28 October 2009

By order of the Board
Sino Gold Mining Limited

A handwritten signature in black ink, appearing to read 'Ivo Polovineo', written over a horizontal line.

Ivo Polovineo
Company Secretary

Explanatory notes to notice of Option Scheme Meeting 2

General

This notice should be read in conjunction with the entire booklet of which it forms part. The booklet contains important information to assist you in determining how to vote on the resolution.

Terms used but not defined in this notice have the defined meanings set out in section 13 of the booklet.

A copy of the Option Scheme is set out in annexure H to the booklet.

Required voting majority

Under section 411(4)(a) of the Corporations Act:

- the resolution to approve the Option Scheme must be passed at the meeting by a majority in number of Sino Gold in the money optionholders present and voting (either in person or by proxy, attorney or, in the case of bodies corporate, body corporate representative) at the meeting, being a majority whose debts or claims against Sino Gold amount in aggregate to at least 75% of the total amount of the debts and claims of the in the money optionholders present and voting; and
- the same resolution must be passed at Option Scheme Meeting 1 by a required majority of Sino Gold out of the money optionholders.

For this purpose, the debts or claims of a Sino Gold in the money optionholder against Sino Gold will be equal to the value of the Option Scheme Consideration that would be payable to it under the Option Scheme in respect of its Sino Gold in the money options.

Court approval

Under section 411(4)(b) of the Corporations Act, the Option Scheme (with or without modification) is subject to the approval of the Court. If the resolution put to the meeting is passed by the requisite majorities and the other Conditions Precedent to the Option Scheme (other than approval by the Court) are satisfied or waived by the time required under the Option Scheme, Sino Gold intends to apply to the Court for the necessary orders to give effect to the Option Scheme.

Entitlement to vote

Under section 411 of the Corporations Act and all other enabling powers, the Court has determined that the time for determining eligibility to vote at the meeting is 5.00pm¹ on Monday, 30 November 2009. Only those Sino Gold in the money optionholders entered on the Sino Gold Option Register at that time will be entitled to attend and vote at the meeting. The remaining comments in these explanatory notes are addressed to Sino Gold in the money optionholders entitled to attend and vote at the meeting.

How to vote

Voting will be by poll. You may vote at the meeting by:

- attending and voting in person;
- appointing one or two proxies to attend and vote on your behalf, using the grey Proxy Form that accompanied the booklet;
- appointing an attorney to attend and vote on your behalf, using a power of attorney; or
- in the case of a body corporate, appointing a body corporate representative to attend and vote on your behalf, using a certificate of appointment of body corporate representative.

Attendance

If you or your representative(s) plan to attend the meeting, please arrive at the venue at least 30 minutes before the scheduled time for commencement, so that your optionholding can be checked against the Sino Gold Option Register, any power of attorney or certificate of appointment of body corporate representative verified, and you or your representative's attendance noted.

Voting in person

To vote in person, you must attend the meeting.

Eligible Sino Gold optionholders who wish to attend and vote at the meeting in person will be admitted and given a voting card on disclosure at the point of entry to the meeting of their name and address.

Voting by proxy

You may appoint one or two proxies. Your proxy need not be another Sino Gold in the money optionholder. Each proxy will have the right to vote on a poll and also to speak at the meeting.

To appoint a proxy, you should complete and return the grey Proxy Form that accompanied the booklet in accordance with the instructions on that form. The deadline for receipt of Proxy Forms by the Sino Gold Scheme Registry is 11.00am on Monday, 30 November 2009.

Note:

1 2.00pm Hong Kong time.

Annexure J

Notice of Option Scheme Meeting 2

If you wish to appoint a second proxy, a second Proxy Form should be used and you should clearly indicate on the second Proxy Form that it is a second proxy and not a revocation of your first proxy. You can obtain a second Proxy Form from the Sino Gold Scheme Registry. Replacement Proxy Forms can also be obtained from the Sino Gold Scheme Registry.

If you appoint two proxies, each proxy should be appointed to represent a specified proportion of your voting rights. If you do not specify the proportions in the Proxy Forms, each proxy may exercise half of your votes with any fractions of votes disregarded.

You should consider how you wish your proxy to vote. That is, whether you want your proxy to vote 'For' or 'Against', or abstain from voting on, the resolution, or whether to leave the decision to the proxy after he or she has considered the matters discussed at the meeting.

If you do not direct your proxy how to vote on an item of business, the proxy may vote, or abstain from voting, as he or she thinks fit. If you instruct your proxy to abstain from voting on an item of business, he or she is directed not to vote on your behalf, and the options the subject of the proxy appointment will not be counted in computing the required majority.

If you return your Proxy Form:

- without identifying a proxy on it, you will be taken to have appointed the chairman of the meeting as your proxy to vote on your behalf; or
- with a proxy identified on it but your proxy does not attend the meeting, the chairman of the meeting will act in place of your nominated proxy and vote in accordance with any directions on your Proxy Form.

The chairman of the meeting, all other Sino Gold directors and the Sino Gold company secretary intend to vote all valid undirected proxies which nominate them in favour of the resolution, in the absence of a Superior Proposal.

Proxies of eligible Sino Gold in the money optionholders will be admitted to the meeting and given a voting card on providing at the point of entry to the meeting written evidence of their name and address.

Your appointment of a proxy does not preclude you from attending in person, revoking the proxy and voting at the meeting.

Voting by attorney

You may appoint an attorney to attend and vote at the meeting on your behalf. Your attorney need not be another Sino Gold in the money optionholder. Each attorney will have the right to vote on the poll and also to speak at the meeting.

The power of attorney appointing your attorney to attend and vote at the meeting must be duly executed by you and specify your name, the company (that is, Sino Gold) and the attorney, and also specify the meetings at which the appointment may be used. The appointment may be a standing one.

The power of attorney, or a certified copy of the power of attorney, should be lodged with the Sino Gold Scheme Registry before the meeting or at the registration desk on the day of the meeting.

Attorneys of eligible Sino Gold in the money optionholders will be admitted to the meeting and given a voting card on providing at the point of entry to the meeting written evidence of their appointment, their name and address, and the name of their appointors.

Your appointment of an attorney does not preclude you from attending in person and voting at the meeting.

Voting by body corporate representative

If you are a body corporate, you may appoint an individual to act as your body corporate representative. The appointment must comply with the requirements of section 250D of the Corporations Act, meaning that Sino Gold will require a certificate of appointment of body corporate representative to be executed by you in accordance with the Corporations Act. A form of certificate may be obtained from the Sino Gold Scheme Registry. The certificate should be lodged with the Sino Gold Scheme Registry before the meeting or at the registration desk on the day of the meeting. The certificate will be retained by Sino Gold.

If a certificate is completed by an individual or a corporation under power of attorney, the power of attorney, or a certified copy, must accompany the completed certificate unless the power of attorney has previously been noted by Sino Gold.

Body corporate representatives of eligible Sino Gold optionholders will be admitted to the meeting and given a voting card on providing at the point of entry to the meeting written evidence of their appointment, their name and address, and the name of their appointors.

This page has been left blank intentionally.

This page has been left blank intentionally.

Corporate directory

Company Information

Sino Gold Mining Limited
(ABN 42 093 518 579)
ASX Code: SGX
HKSE Code: 1862
www.sinogold.com.au

Directors

James Askew, *Chairman*
Jacob Klein, *President and CEO*
Xu Hanjing, *Executive Director*
Peter Cassidy
Brian Davidson
Peter Housden
Liangang Li

Company Secretary

Ivo Polovineo, *Australia*
Jane Chan Yuen Bik, *Hong Kong*

Registered Offices

Australia

Level 22
44 Market Street
Sydney NSW 2000
Australia

Hong Kong

31st Floor
Gloucester Tower
The Landmark
Central
Hong Kong, China

Sino Gold Securityholder Information Line

1300 819 121 (from within Australia, toll free)
2862 8666 (from within Hong Kong)
+61 3 9415 4231 (elsewhere)

Sino Gold Scheme Registry

Registries Limited
GPO Box 3993
Sydney NSW 2001
Australia

+61 2 9290 9600 (telephone)
+61 2 9279 0664 (facsimile)
registries@registriesltd.com.au
www.registriesltd.com.au

Eldorado Share Registrar and Transfer Agent

Valiant Trust Company
600–750 Cambie Street
Vancouver, BC V6B 0A2
Canada

+1 604 699 4880 (telephone)
+1 604 681 3067 (facsimile)
inquiries@valianttrust.com
www.valianttrust.com

Financial Adviser

Goldman Sachs JBWere Pty Ltd
Level 42
Governor Phillip Tower
1 Farrer Place
Sydney NSW 2000
Australia

Legal Advisers

Australian

Allens Arthur Robinson
126 Phillip Street
Sydney NSW 2000
Australia

Canadian

Cassels Brock & Blackwell
2100 Scotia Plaza
40 King Street West
Toronto M5H 3C2
Canada

Hong Kong

Dorsey & Whitney
Suite 3008
One Pacific Place
88 Queensway
Hong Kong, China

Independent Expert

Grant Samuel & Associates Pty Limited
Level 6
1 Collins Street
Melbourne VIC 3000
Australia

Investigating Accountant

KPMG Transaction Services (Australia) Pty Limited
10 Shelley Street
Sydney NSW 2000
Australia

Eldorado CDI Subregistry

Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235

+61 2 8280 7111 (telephone)
+61 2 9287 0303 (facsimile)
registrars@linkmarketservices.com.au
www.linkmarketservices.com.au

