

April 13, 2015

Phil Bloomer and Eniko Horvath
Business & Human Rights Resource Centre

Dear Mr. Bloomer and Mr. Horvath,

Thank you for your recent email requesting us to comment on our environmental track record and tax policies. We appreciate the opportunity to present the facts about our operations and development projects in Greece.

Environmental considerations are always front and center when developing new mines. Please know that they are of equal priority to us as they are to our neighbors who live in the communities near our sites. Our employees also live in these communities; they too want a safe and green environment for their families to live in and their children to inherit. We maintain full compliance with local regulations and follow international guidelines to ensure that our environmental and safety practices meet the world's highest standards. Our Environmental Impact Assessment (EIA) took five years to prepare, and the legal challenges that followed its approval have now been dismissed by Greece's Council of State on three occasions.

Operating responsibly takes careful planning, commitment and implementation. Before we start any mining activities we identify the potential impacts of our activities, plan ways to mitigate these and limit our environmental footprint to what is absolutely necessary. The Skouries project, which has a mine life of 27 years, requires an area of 180 hectares or 0.09% of the total forested area in Halkidiki. To provide context, the forestry industry in north east Halkidiki logs approximately 190 hectares of forest every year. Significant resources have gone into designing the Skouries project to reduce impacts as much as possible. To occupy the least possible surface area, a combination of open pit and underground mining methods were chosen. Tailings will be re-used as paste backfill in the underground and material from the open pit will be used to construct dam walls.

The facilities have been designed by expert Greek engineers and signed off by the Greek authorities. The final design makes the project unique as there will be no waste areas. Rehabilitation, as required by the EIA, will parallel mining activities so when areas are no longer needed for mining use, they will be returned to a natural state. This rehabilitation includes backfilling of the open pit and complete reforestation of the area. We have a €50 million Letter of Guarantee outstanding with the Ministry of Environment of Greece as security for the due and proper performance of these rehabilitation works.

Helping our neighbors understand the impacts of our projects and what we are doing to manage these are at the core of our communications in Greece. Hellas Gold, our Greek subsidiary, has a comprehensive website and publishes a quarterly community magazine that discusses these issues in

depth. Topics such as water usage, water quality, dust control and air quality are all covered. To further help our stakeholders learn about modern mining techniques, Hellas Gold hosted approximately 4,000 people on tours of our Halkidiki sites in 2014. Visitors had the opportunity to observe our operations first-hand, learn about our environmental commitments and talk with company managers about issues of interest to them. For more information on how we are managing our environmental commitments in Greece, please see our [Facts and Fallacies](#) on our website.

Equally important is helping our stakeholders understand the benefits mining can have for individuals, local communities and national economies. Mining provides family-supporting jobs, opportunities for entrepreneurs to provide goods and services needed by the industry, infrastructure and service development, government tax revenue and leverages a region's competitive advantages for international trade. We estimate our projects will generate more than US\$1 billion in direct taxes for the Greek state over the next 20 years. Of the US\$260 million we invested in Greece in 2014, \$50 million was paid to government with the remainder going to in-country suppliers, employees and local communities. Please see page 26 of our [2014 Annual Report](#) for further information.

From 2012-2014, Eldorado's global tax rate was consistently in the range of 40% to 50%. We do not utilize common tax planning strategies relating to precious metals trading, VAT planning or IP licensing. Like other multinational companies, Eldorado structures its tax planning in accordance with national and international tax legislation. We have a Dutch platform which allows for efficient movement of capital and better global cash-flow management for Eldorado (e.g. profits from active mines in Turkey flow through the Netherlands and onwards to our EU-based development projects in Greece without funds leaving the EU once they reach the Netherlands). Since 2012 our Dutch subsidiaries have paid Dutch taxes in the amount of €1.8 million and non-Dutch taxes in the amount of US\$54.1 million.

Irrespective of our 20 year track record as a safe and responsible operator, we know that our current performance is what matters. All eyes are on us to demonstrate that mining in Greece can be done responsibly, with utmost care for the security of our people, our neighbours and the environment – our welcome is absolutely predicated on that. It is also earned based on our commitment to partnering with communities and governments to develop sustainable opportunities over the cumulative 50 plus years our Greek projects will be in operation.

Yours sincerely,



Paul N. Wright
Chief Executive Officer