

Eldorado Gold

[Name of the Writer]

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Introduction

Eldorado Gold is a Canadian minimal effort gold maker with more than 20 years of experience building and working gold mines in Europe, Asia and South America. We are devoted to responsible operations, the most elevated health and natural benchmarks and working with stakeholders to improve the groups where they work (Piper, 2012). Eldorado Gold has been active in Greece since 2008, when it acquired the Perama Hill Gold Project (run by the Greek Thracean gold mining company) through the acquisition of Canadian Frontier Pacific Mining Corporation. In 2010, the company filed a preliminary environmental impact study (EIS) for Perama Hill, which was approved in 2012. The final EIA approval, however, has not yet been granted by Greece due to local opposition to the project for environmental reasons (Hahn 2012).

In 2011, Eldorado announced the acquisition of European Goldfields Mining Corporation, then owner of the mines of Kassandra (Stratoni / Skouries / Olympias) in the Halkidiki peninsula near Thessaloniki. The projects of mine, lead and zinc silver, and are preparing for the extraction of copper and gold (see summary below) and are operated by the Greek company Hellas Gold. The acquisition was completed in 2012. Eldorado took over Dutch investment structure of European Goldfields and later expanded this structure to play a central role in financing its global operations.

Discussion

The Skouries mine is the largest mine in northern Kassandra Chalkidiki, Central Macedonia and one of the largest gold deposits in Greece and worldwide. The mine has

estimated reserves of 5.3 million ounces of gold and 246.4 million tonnes of ore grading 0.49% copper. The Skouries mine is under development, with the processing of ore expected to begin in 2015. Despite the growing opposition of the local population, and Amnesty International reports of possible violations of human rights, Eldorado Gold refused in April 2013 that it plans to abandon the project. Citing the fall in the price of gold as the main reason, the company announced in July 2013 that it would cut capital spending by 35%, thus pushing back the start date of the Skouries mine for at least one year, 2016 or 2017 despite the company's announcement, it was reported the development works on a large scale in July 2013 where the mineral processing plant is planned to be built (Hahn 2012).

The company's main problems and issues faced in Skouries related to the business plans of the company relating to the destruction of the environment, ranging from cleaning up much of the original primitive forest land and water pollution air. The discussion provides an overview of the main sources of environmental impact studies and forecasts. It is also based on press reports and testimonies of human rights issues, particularly regarding the brutal police repression and criminalization of local resistance movement. These were subjected to public interventions of Amnesty International and Beggar whether the Greek State is protecting its citizens ", or rather private interests. The irregularities in granting permits and accusations of conflict of interest also raise serious concerns as the democratic process in Greece with regard to the operations of Eldorado Gold (Piper, 2012).

Referring to the larger project Skouries, also in northern Greece, Eldorado Gold said it will continue "in the full development mode" this year. Mine proposal has divided locals since early 2011, when the subsidiary of Eldorado Gold Gold Hellenic received government approval to mine in the north of the peninsula. Some claim that the mine will damage tourism and release

toxic substances, while others believe that the transaction is good news for Greece that will generate new jobs and bring hundreds of millions to the struggling economy. Local activists said they are concerned about the livelihood of the residents of the region where the Canadian mining company plans to open two new mines depends heavily on income from tourism, fishing, agriculture and beekeeping.

Many believe, however, that the benefits do not outweigh the risks, and distrust of official information. And to explain the reasons for mistrust suggest how the state malvendio rights to exploit the mining project in a region, northern Greece, treasured metals worth about 20,000 million Euros. In December 2003, the Greek government took control of the mine after a settlement with TVX Hellas, the former owner, who closed the project after protests from the local population. The state bought for 11 million euros and sold the same day by the same figure Hellas Gold, founded three days before, giving all royalties. Shortly after, 95% of company shares were acquired by the Canadian European Goldfields (EG). In an audit, the market value of the company was then estimated at about 400 million euros. In 2012 EG was relieved by Eldorado (Hahn 2012).

Eldorado Gold believes in through and teamwork and open relationship with the stakeholders, they put up significant, long term associations that convey positive impacts to people and communities. Eldorado Gold working philosophy of make use of nationals of the countries they operate in, has allowed them to further recognize and make stronger their local company. Eldorado's key stakeholders consist of employees, service provider, supplier and provider, financier and investors, local society associates, government and non-governmental organization of all kinds of levels. Eldorado Gold communicates mutually officially and informally with all stakeholder groups. This continuing conversation allows them to improved

understanding with the stakeholders' necessitate and desire and make sure that stakeholders appreciate their values and moral approach to doing the dealings and business (Piper, 2012).

For instance, at each of Eldorado Gold mine location, they hold various gatherings every year with nearby group individuals and government authorities. From the most punctual phases of their ventures, they meet with nearby group individuals to recognize their most pressing needs be it foundation, interests in health care and instruction, or their job opportunities. Eldorado Gold work with them to create activities that construct social capital and fortify nearby economies (Hahn 2012).

Given the controversial nature of mining projects in Halkidiki and Thrace Eldorado and the importance of an evaluation of their potential economic contribution to Greece, SOMO has decided to publish this report as a discussion paper to allow a review by interested parties before the final publication. This report will be distributed to a number of stakeholders in the period November 2014, and a final release is planned for December 2014 or January 2015, depending on the nature of the comments received. Stakeholders include here the Greek local networks of organizations and individuals active campaign affected by mining academic expert's fiscal and economic operations, the Ministry of Finance of the Netherlands and the Greek authorities (Piper, 2012). The discussion paper also sent to Eldorado Gold again with an invitation to comment on the findings. This report refers to a series of appendices that provide data and methodological details. These are not included in the PDF version, but will be posted online along with the final report. The annexes may be requested for review purposes (Piper, 2012).

Regarding the reported protests against the operations of the company in recent years Halkidiki criminalization, SOMO interviewed several local activists in connection with protests and criminalization. Three reports by Amnesty International were used to corroborate the

violations reported by activists. More interviews with local residents and experts Greeks will take place in November 2014 in Greece, when the present report's findings and conclusions will be presented and discussed with local groups in the campaign (Hahn 2012).

For an analysis of data from the finance company's SEC filings Eldorado Gold and annual accounts of their Dutch and Greek published by the Dutch and Greek Chambers of Commerce subsidiaries were analyzed. Were also analyzed, Dutch and Greek relevant EU fiscal policies to provide a political context of the possible motivations of tax planning structure of the company (Hahn 2012). Investment data analyzed are based on databases of statistics IMD, OECD and Euro, also refers, as appropriate. Canadian headquarters of Eldorado Gold and its Dutch and Greek subsidiaries were informed about the research in advance and given a standard period to review a draft of the relevant information related to their operations and tax planning practices to identify possible errors in the results. SOMO was informed by the law firm representing Eldorado Gold (Fasken Martineau) that the company had no interest in participating in the review process (Piper, 2012).

Conclusion

In conclusion, although the case brought by the current Greek government and its creditors that FDI would provide Greece with an economically beneficial in terms of revenue and employment investment, there are clear indications that such benefits are not generated by open Eldorado gold mining projects gold and copper pit and once all externalities and fiscal problems have been included in the equation. Even putting aside for a moment, the distribution of the potential benefits of all, it seems that not much good will come of operations.

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