

Eurasia Mining plc
("Eurasia" or the "Company")

Shareholder Update

The Board of Eurasia Mining (AIM:EUA) are pleased to draw investors' attention to a Letter to Shareholders, the text of which is reproduced below and which has also been uploaded to the Company's website and which can be reviewed through the following link:

www.eurasiamining.co.uk

The Letter to Shareholders provides an overview of Company's assets and details of the strategic and operational plans expected to deliver value for shareholders in the coming months.

Christian Schaffalitzky, Managing Director and Chief Executive Officer of Eurasia Mining commented: *"With the start of 2015 we believe we are entering an exciting time for the Company and various elements of the Company's current assets, combined with prospective additional opportunities, have the ability to be Company changing. We wanted to take this opportunity, alongside thanking Shareholders for their support, to discuss the Company's latest position, and the potential events that may transpire as we push into 2015."*

Dear Shareholder,

General Update

I am pleased to provide a general update with regard to the Company's current interests and its plans for 2015.

Firstly, I would like to thank Shareholders for their support and their interest in Eurasia Mining. The mineral sector has experienced a substantial decline in recent years and I believe that has tested the patience and will of most in our market sector. Nevertheless from despair is born opportunity and we fully intend to capitalise on the opportunities that exist in our market.

The purpose of this letter is to restate the Board's resolve in the above regard. We believe in the quality of the Company's assets and that we have the necessary drive to realise value for our shareholders. We also believe that investors in today's markets are drawn to those companies that innovate and build on their existing interests to further strengthen the company.

Background

As a company we have focused for some time on two main project areas, Urals Alluvials (predominantly focused on the West Kytlim licence) and the Kola

Peninsula (Monchetundra licence). Both these projects are focused on Platinum Group Metals (PGMs).

We consider PGMs to be a commodity group with highly attractive forward supply/demand fundamentals from an industrial or investment perspective.

We also believe the challenges facing the major existing PGM producers in South Africa are considerable and provide alternative producers with significant competitive advantage.

Operating conditions for us in Russia have been, and remain, absolutely fine on the ground and in terms of the agencies with whom we engage. Shareholders will appreciate that the time taken to secure a mining licence for Urals Alluvials - West Kytlim has been lengthy.

Whilst we can't be specific with regard to when a mining licence may be issued, we believe there is potential for receipt of this approval in the near term, enabling us to proceed with production and revenue generation, for the first time in the Company's history.

The Company has balanced the production potential of West Kytlim with the PGM exploration opportunity at the Kola Peninsula licences, where considerable progress has been made to understand the PGM mineralisation. There is more work to do, but we believe our licences are at a highly interesting position and we are eager to push forward to generate value from our exploration work to date.

As we said above, we believe our existing assets provide the Company with a viable proposition and an exciting future.

Reflecting on the longstanding and deep decline in the mineral sector, the Company has seen an increase in the availability of additional assets for joint venture development or acquisition and the potential now exists to further expand the Company's portfolio, at low cost and on attractive commercial terms. We believe it is a great opportunity to further build and diversify the company.

Therefore alongside our existing asset base we are using the Board's diverse connections and local knowledge to seek out potential additional manageable interests.

With the above background, I would like to demonstrate our approach with regard to existing assets and new opportunities, along with some explanation of aspects of business management in which we acknowledge shareholders have an acute interest, namely finance and communications.

Current Projects

West Kytlim (75% owned EUA – 25% local partner):

At West Kytlim we are seeking to produce Platinum metal from our licence area. In order to do this we need to secure a Mining Licence from the Russian Authorities.

The licence application process has taken a considerable period to date. In part this is due to the complexity of the process, and in part it is down to us choosing to increase the area covered under the Mining Licence and the additional areas have added further delays into the process. We felt that the receipt of a larger and more attractive Mining Licence was worth the additional delays the expansion in our application ground would cause.

Now, and as announced in our 27 November 2014 update, we are into the final stages of the licencing process. Fortunately we have experience in-country, and have seen from other companies applying as we are, that application handing is accelerating and near term licence receipt is a possibility.

Receipt of the licence will enable us to focus on production of Platinum from West Kytlim which is something we could expedite very efficiently. The project is alluvial Platinum focused and in effect simply requires us to collect the river sands from the licence area, wash, bag and deliver concentrates to the refinery from where Platinum is extracted and produced.

As a result we believe the capital expenditure to launch operations is low, the time to implement short and the speed of revenue generation and cash receipt rapid. We believe this is almost the perfect scenario for a developer such as Eurasia to launch production operations. It is of interest to note that most alluvial operations in Russia are commonly financed under locally sourced debt finance, and this may be an option we explore in the future.

News from West Kytlim in the near term will include further Mining Licence updates and we hope Mining Licence confirmation as soon as possible.

Thereafter, on receipt of a Mining Licence we will provide regular operational updates as we move into production, and also further details regarding the project valuation and its potential revenues.

Monchetundra (80% owned EUA, 20% local partner):

With the West Kytlim licence now production focused, Monchetundra is the Company's key exploration asset. The area was previously mined for nickel and copper, alongside Platinum and Palladium, over a period of 34 years from 1937-71. Since 2000 there have been PGM discoveries in the area by Eurasia, Norilsk, Renova and Consolidated Puma. We believe this is an exciting area for exploration.

Historical exploration data is available on our web pages and consolidated within the company presentation on our website. Detailed chronological news in relation to our work on this licence area has been provided, most recently in the Half Year Report released on the 2 September 2014.

Recently with the restrictive funding environment, we believe we have been exceptionally prudent in our budgeted expenditure on this licence, save for the commitment to low cost, technically additive ground operations which enable us to maintain the licences in good standing and further improve our technical knowledge.

We believe we are now in a position where we have a good understanding of the potential mineralisation and have a developed forward exploration programmes to fully test and validate our findings. To assist us in this process we are in various discussions with a view to joint venturing our Monchetundra interest with a third party.

Whatever the specific outcome, we hope to announce progress for Monchetundra in the not too distant future.

Additional New Opportunities

In the difficult environment that challenges the resources sector worldwide it is difficult to lift your head high enough to visualise the opportunities all around.

Eurasia's shares are admitted to trading on AIM, a market of the London Stock Exchange and we believe that helps create a presence in our market and interest overseas. We believe a quoted status is a real currency in the current environment and that we are finding an increasing number of opportunities because of this.

We are always reviewing potential new interests and will report to the market any material progress in this area. Key to our work in project selection is the ability to undertake transactions on a commercially viable footing. We are very confident in our existing assets and any additions have to complement existing interests and have financing and managerial requirements well within our capabilities.

Sometimes one has to leverage the strength of local knowledge with external partners, and we are delighted to have forged a strong working relationship with Metal Tiger plc, which was announced to market on 29 December 2014 and which we see as being a significant contributor to the value we bring to Eurasia Shareholders.

Funding & Financing

In the resource exploration world, cash is key because most explorers burn cash and generate no material revenues. We are focused on moving into revenue generation from West Kytlim, transforming our business model and leading to a self-financed company.

Along that pathway it has been necessary to raise money and we did so recently with a strategic financing supported by fellow AIM quoted Metal Tiger plc.

Moving West Kytlim into production will require capital expenditure and we are exploring a number of possible opportunities to obtain this, although at this stage no guarantee can be given that the financing facilities we require will be found. We will provide more information to the market if material developments in this area occur. As I noted earlier, most alluvial operations in Russia are commonly financed under locally sourced debt finance and this would be a preferred option to be investigated.

As a Company we believe our cash burn is low, so with our knowledge of West Kytlim potential, we believe we should have a self-sustaining company when West Kytlim is fully operational.

Thereafter the story should be very different and when we receive confirmation of our mining licence, we will review the licence documentation issued; determine the production pathway for the asset and report back to market.

Communications

We are currently implementing a new communications plan that will see the thrust of our message distributed extensively through media work and enhancement of the communication tools through which investors can gather readily accessible information on the company, in addition to the regular regulatory RNSs. We will therefore make a conscious effort to enhance our communications and ensure that our message is fully understood by you, the shareholders, and interested investors.

Yours faithfully,

Christian Schaffalitzky
Chief Executive Officer and Managing Director
Eurasia Mining plc (AIM:EUA)

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