ANNUAL REPORT & ACCOUNTS 2002

EURASIA MINING PLC

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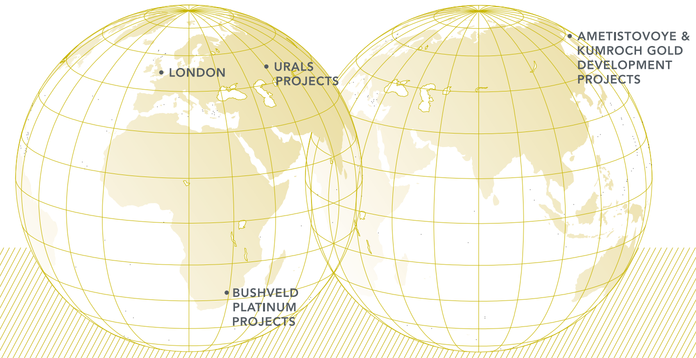


EURASIA'S AIM IS TO DISCOVER AND TO DEVELOP SUBSTANTIAL PLATINUM, PALLADIUM AND GOLD DEPOSITS CAPABLE OF DELIVERING VALUE TO ITS SHAREHOLDERS

THE IMPORTANT TASK OF BUILDING ON OUR EXISTING ASSETS IS SET TO CONTINUE IN 2003. WE EXPECT TO GO ON ACQUIRING NEW PROJECTS WHICH WILL BE DEVELOPED EITHER IN PARTNERSHIP WITH OTHER COMPANIES OR ON OUR OWN.

2002 HIGHLIGHTS

URALS ALLUVIAL PLATINUM PROJECTS

- **New high priority licence awarded at West Kytlim**
- **Exploration with Anglo continues with budget of US$ 0.9 million**

URALS PALLADIUM-GOLD PROJECT

- **Good drilling results from Kluevsky confirm potential**

SOUTH AFRICAN BUSHVELD PLATINUM PROJECT

- **New joint venture with Randgold for exploration area at Doornbosch**

NEW PROJECTS

- **Heads of Agreement on Ametistovoye Project containing 1.4 million ounces of gold**
- **Joint Venture opportunity on gold exploration project at Kumroch, Kamchatka**

At the end of 2002, Eurasia completed ten years of activity in Russia. Early success in negotiating options over prime properties were frustrated through the collapse of the Russian investment climate in 1998 and the subsequent drying up of funds for Russian projects and weak metal prices. Your Company continued seeking to establish a flow of exploration and development projects capable of delivering value to shareholders; most particularly in the Urals platinum programme with Anglo Platinum where we have now established a significant land position. This strategy has gained momentum in recent months, with the proposed acquisition of our first two new gold projects in Russia. Further projects have been identified and are currently being evaluated. I believe the Company is set fair to re-establish itself as an exciting investment vehicle for precious metals in the region in the immediate future.

Russia has seen major changes in its minerals industry over the past twelve months, especially in gold where exports have been liberalised. Similar changes are under discussion for platinum group metals (PGM). Domestic companies have reorganised and consolidated and with the improving economy and political climate, mining activity has expanded rapidly. Foreign investment has increased, and a number of overseas mining companies, who like us have been involved in the area for many years, are becoming significant gold producers. We too have responded to this improved environment and have built on our experience there to implement our acquisition strategy. The first fruits of these efforts can be seen in the advanced gold project at Ametistovoye where we are carrying out due diligence on mine development options. An additional and exciting gold exploration area at Kumroch in Kamchatka will also be explored in the coming months.

Meanwhile, the Company has been building on its PGM work in the Urals, working with Anglo Platinum on our alluvial platinum prospects. Our reconnaissance work in 2000 identified three substantial targets for exploration. In January our application for access to the prime target at West Kytlim was granted, and we look forward with considerable anticipation to this year's results based on the encouraging indications from our first sampling. Drilling work planned for 2003 will appraise this potential and we hope to achieve pilot production from one area. Last year's results at Vissim, where we could start because we already held the ground, were disappointing in that the mixing of ore and waste resulting from several episodes of dredging precludes large scale production although a smaller operation is possible. Elsewhere in the Urals we reported further good results from our sole funded drilling programme at Kluevsky, where the Company discovered a shallow zone of palladium-gold mineralisation in 2001.

In parallel, the diversification of the Group's PGM interests into South Africa has continued, with a second project at Doornbosch initiated in the Bushveld Complex in joint venture with RandGold. Together with our project at Kliprivier we have established an attractive platinum exploration play which we look forward to advancing in 2003. This work was delayed due to prolonged delays caused by land title problems that took some months to resolve and uncertainty occasioned by changes to the Mining Act. We welcome the changes introduced but not the uncertainty and delays that they have produced. It is our intent to investigate ways in which we can obtain better recognition in terms of value for these interests

The important task of building on our existing assets is set to continue in 2003. We expect to go on acquiring new projects which will be developed either in partnership with other companies or on our own. We are hopeful that this effort will reward us all in adding significant value for shareholders. The market in mining shares has not been easy in the current climate but your Board has set a strategy designed to create an attractive precious metals company with excellent development potential. We also aim to develop mine production over the next two years on two projects, Ametistovoye and West Kytlim.

Finally, I would like to thank our Board and staff for their work during the year. In a short period they have brought new projects forward for appraisal, not the least Ametistovoye and Kumroch. I am also happy to report that Christian Schaffalitzky joined the Company as Managing Director in October 2002 and has injected a new enthusiasm and direction to our team.

John Mitchell
Chairman

Russia

EURASIA HAS SECURED EXPLORATION RIGHTS FOR THE HIGH PRIORITY WEST KYTLIM ALLUVIAL PLATINUM DISTRICT IN THE CENTRAL URALS PLATINUM PROVINCE

In conjunction with progressing its current projects, the Company has sought and assessed advanced precious metal projects in Russia during 2002, including both Platinum Group Metals and Gold. The Company is targeting projects where discoveries have been made but where the size and potential has not been estimated. These latter projects are of interest because with modest exploration investment considerable value can be added quickly.

The first new projects being appraised are the Ametistovoye gold development project and the Kumroch gold exploration project in the Russian Far East, announced in early 2003. Negotiations for a number of additional projects are now well advanced with further announcements expected over the coming year.

Ametistovoye Gold Development Project

Eurasia has signed an exclusive heads of agreement to jointly develop the Ametistovoye gold deposit which is located in the Koryak district of the Russian Far East. The agreement is signed with the licence holder, Koryakgeoldobycha, a local mining company with extensive local experience and infrastructure.

Previous exploration work has included 60 kilometres of trenching, 137,000 metres of drilling and 13,255 metres of underground development. It shows that the deposit is epithermal in origin and occurs in volcanic rocks within an old caldera structure.

Koryakgeoldobycha had previously completed a feasibility study into the development of the Ametistovoye project based on a reserve of 4,410,000 tonnes at a grade of 10.5 grams/tonne (g/t) gold assuming conventional narrow lode underground mining methods. This reserve contained approximately 1.4 million ounces of gold. Previous metallurgical work indicates a 95% gold recovery using conventional ore processing.

Eurasia will complete detailed due diligence in mid 2003 which will include assessment of the potential for the rapid development of the deposit as an open-pit mining operation. This work will be used to decide on the best option for the project.

Urals Alluvial Platinum

Eurasia has secured exploration rights for the high priority West Kytlim alluvial platinum district in the Central Urals platinum province. The Company has always regarded West Kytlim as the prime target for the initiation of our planned platinum production but has only recently been able to obtain permission for access.

The 251 square-kilometre Tylai-Kosvinsky licence at West Kytlim is situated 470 kilometres north of Ekaterinburg. It covers the junction of the Tylai and Kosva rivers as well as a number of tributary streams which directly drain the platinum-bearing Kosvinsky Kamen complex in the west of the Kytlim platinum district. The licence conditions also provide for exploration for hard rock platinum.

The licence is held by Kosvinsky Kamen, a Russian company of which a wholly-owned Eurasia subsidiary, Eurasia Mining Services, controls 75%. The minority shareholder, Artel "Yuzhno-Zaozersky Priisk", is a successful Russian mining company currently producing platinum from the East Kytlim district. It will assist in the provision of facilities and equipment for mining operations at West Kytlim.

Preliminary work has already identified the potential for large alluvial platinum resources.

Targets identified include:

• Large un-mined river terraces adjacent to channels that have yielded 4-7 kg of platinum concentrate per day from dredging. Pit sampling returned excellent results with grades of up to 1,500mg per cubic metre.

• Large depressions in limestone, considered likely traps for platinum minerals.

• Dredge tailings within the Tylai and Kosva rivers (with a combined extent in excess of 17 kilometres) that were mined between 1952 and 1985.

• Steeper terrain targets in close proximity to dunitic host rocks, the source rocks for the platinum, inaccessible to previous dredge based operations.

Eurasia is aiming for a rapid development of commercial, pilot scale platinum production at West Kytlim, hoping to start by the end of 2003.

During the year feasibility stage drilling was undertaken on seven areas in the upper Martian River at Vissim, identified as having potential for more than one million cubic metres of fine dredge tailings resources. Outcomes of this work, particularly close spaced drilling at Pervomaika, indicate that economic combined platinum and chromite tailings resources are fragmented and disturbed apparently due to multiple stages of past dredging in the area which has also contributed to an overall grade reduction. The sporadic grade distribution severely limits the potential for future development of a large-scale mining operation based on the tailings resources. Future planned work at Vissim will be directed at exploration of potential high grade unmined ravine placers indicated by seismic traversing and projection of previous workings east of the Martian River.

EURASIA HAS SIGNED AN EXCLUSIVE HEADS OF AGREEMENT TO JOINTLY DEVELOP THE AMETISTOVOYE GOLD DEPOSIT WHICH IS LOCATED IN THE KORYAK DISTRICT OF THE RUSSIAN FAR EAST

Palladium-Gold Exploration

Further encouraging palladium and gold results were obtained from continued drilling at Kluevsky on the 350 square kilometre Baronskoye/Baranchinsky licence area in the Central Urals. The latest drilling tested the central section of a 1.5-kilometre long surface geochemical anomaly and targeted the definition of an open-pit resource of platinum group metals and gold.

Results to date have shown ore grades similar to those that have formed the basis for large-scale open pit mining in parts of Eastern Canada, where reserves grading 1.5g/t palladium are exploited. The best results from this year's drilling included intersections of 5.4 metres (m) assaying 2.64g/t of platinum group metals and gold in Hole K13 and 6.2 metres assaying 2.76 g/t (including a 1.5-metre section of 8.89 g/t) in KL18.

The discovery of palladium-gold mineralization at Baronskoye represented the first of its type identified in the Urals and therefore progress is of necessity slow due to the requirement to carefully analyse and interpret outcomes of each completed programme to plan the next stage of work within the very large licence areas. This underpins our previously stated intention of seeking a joint venture partner to expand and accelerate exploration work, although the current low palladium price has reduced the potential of this project.

Kumroch Gold Project

Eurasia plans to undertake the joint exploration of a large gold licence in Kamchatka in the Russian Far East. The area, known as Kumroch, includes several gold prospects and covers some 435 square kilometres. It is located about 400 kilometres north of the regional capital of Petropavlovsk and about 40 kilometres inland from the Pacific Ocean. It is also some 650 kilometres southwest of the Ametistovoye project.

Under the proposed joint venture agreement, Eurasia has the right to earn an initial 50% interest in the project by funding a feasibility study in the project area. The licence covering the Kumroch area was issued in 1999 and is held by the Bystrinskaya Mining Company, (BMC), part of the Koryakgeoldobycha group of companies.

Epithermal gold mineralization at Kumroch has been identified in five vein systems measuring up to 20 m wide. Previous exploration has comprised stream sediment, rock chip, trench and channel sampling, and diamond drilling. Surface channel sample results to date include a 16.4m section of 2.5g/t, an 11.4m section of 6.3g/t, a 6.75m section of 8.0g/t, a 1.3m section of 33.2g/t and a 1.0m section of 104.7g/t.

In 2000, BMC completed a six-hole initial drilling programme in the vicinity of this sampling. Due to access limitations the drill holes were not systematically located. The results included intersections of 20.4m of 5.4g/t, 6.8m of 7.0g/t, and 3.0m of 6.0g/t in hole C2; 4.6m of 4.9g/t in hole C3; and 7.6m of 9.6g/t in hole C5. They create a number of immediate follow-up targets.

Eurasia's planned works for 2003 will include infill drill follow up of these very encouraging previous results.

South African Platinum

Eurasia owns 90% of the Kliprivier project (3,900 hectares) located on the Bushveld complex in South Africa. The mineral rights extend over around 7.5 kilometres of exposed or shallow UG2 Reef immediately south of the Everest South deposit which is currently at the feasibility stage for a 200,000 ounces per year platinum mining operation. Everest South is located in a fold or basin like structure near the base of the Bushveld Complex. Eurasia's mapping, supported by airborne geophysical surveys indicates the potential for two similar basinal structures at Kliprivier. Drill testing of these targets was postponed in 2002 during the process of ensuring validity of existing agreements under the new Federal mining legislation.

Eurasia has secured an option over a second Bushveld platinum property at Doornbosch. A joint venture with Randgold & Exploration Company (Randgold) has been agreed whereby it may acquire an interest of up to 75% in the platinum group metal rights of the property which covers an area of approximately 3,629 hectares and lies immediately east of Anglo Platinum's Maandagschoek Platinum mine development. Based on published data from surrounding farms, Randgold has estimated a Platinum Group Metals content of 349,000 ounces grading at least 6.2 g/t in the UG2 reef plus 334,000 ounces grading 3.4 g/t in the UG1 reef on Doornbosch. The reefs outcrop over a distance of approximately 1.2 kilometres. The ore-horizon is shallow dipping with potential for excellent grades and can be accessed from the surface. Chromite reefs lower in the sequence are also reported to contain platinum group metals and will also be further explored.

The acquisition of the Doornbosch mineral rights is an important part of Eurasia's strategy of gaining entry into properties with near-term development potential. Eurasia plans to initiate a systematic drilling campaign to define the resource as soon as the prospecting permit is granted and, subject to results, complete a feasibility study within the option period of 21 months.

EURASIA HAS CONSOLIDATED ITS PLATINUM EXPLORATION INTERESTS WITH THE ADDITION OF THE DOORNBOSCH PROJECT AND LOOK FORWARD TO MAKING PROGRESS IN 2003

JOHN MITCHELL BA Oxon, age 56, is Non-Executive Chairman and a Merchant Banker. He has had extensive international experience including Managing Director of Lloyds Merchant Bank in Sydney and London. He has served on a number of public company boards and has considerable experience in the mining industry including Russia and Eastern Europe.

MICHAEL MARTINEAU MA, D.Phil, FIMMM, age 58, is Executive Deputy Chairman. Following a First Class Honours degree and a Doctorate in Geology from Oxford University, he has had 30 years experience in the mining and minerals industry. He was in charge of global exploration for BP Minerals International later becoming Exploration Director of its Australian listed subsidiary, Seltrust. In 1987, he joined Cluff Resources PLC, as Director Minerals and Managing Director of Cluff Mineral Exploration Limited. In 1989 he founded Samax Resources, which he listed on the Toronto Stock Exchange in 1996 and which was acquired by Ashanti Goldfields in 1998 for US$140 million. He was appointed a Non-Executive Director of Ashanti Goldfields Co Ltd in 2000.

CHRISTIAN SCHAFFALITZKY BA(Mod), FIMMM, PGeo, CEng, age 49, appointed 2 October 2002, is Managing Director. With over 25 years experience in minerals exploration, Christian Schaffalitzky was a founder of Ivernia West PLC, where he led the exploration, discovery and development of the Lisheen world class zinc deposit in Ireland. Most recently, he was Managing Director of Ennex International PLC, an Irish quoted mineral exploration company, focused on zinc development projects. He has also been engaged in precious and base metals minerals exploration and development in Russia and the former Soviet Union.

WILLIAM ANDERSON M Sc, B Sc, FAus IMM, age 53, is Operations Director. During over 20 years with WMC Resources, he rose from Chief Geologist at Hill 50 Gold Mines and the Emperor Gold Mines in Fiji to occupy the post of General Manager at Emperor and subsequently General Manager at Kalgoorlie Gold Operations and Kambalda Nickel Mines, in Western Australia and finally Chief Executive-Brazil. He joined the Company in 1997, and has since had responsibility for the development of its Platinum Group Metals project in Russia.

ROBERT JENKINS BA Oxon, ACA, age 49, is Finance Director and a Chartered Accountant. A fluent Russian speaker and experienced venture capitalist, he has ten years investment experience in Russia and Eastern Europe, including natural resources. He was previously the representative of Framlington Russian Investment Fund on the Company's Board from 1995 to1999.

GARY FITZGERALD age 49 is a Non-Executive Director. He was previously a Director of Framlington Investment Management Limited and has over 25 years experience in investment management.

CHARLES HUTSON age 42, Non-Executive Director, is a Director of Ambrian Partners Limited, a company specialising in advising on strategy, mergers and acquisitions in the metals, mining and industrial materials sectors. He has over 20 years experience of mining and mining finance. He was previously a Director, Investment Banking, at Credit Suisse First Boson and prior thereto, a Director, Corporate Finance at UBS Warburg.

The Directors present their report and audited financial statements. The Profit and Loss Account for the year ended 31 December 2002 and the Balance Sheets as at 31 December 2002 are set out on pages 14 to 16.

Principal Activities

The principal activity of the Group is mining exploration for platinum Group metals and gold in Russia and South Africa. Details of the Group's activities are given in the Chairman's Statement and the Operations Review.

Going Concern

In common with many exploration companies, the Company raises finance for its exploration and appraisal activities in discrete tranches to finance its activities for limited periods only. Further funding is raised as and when required. The Directors are of the opinion that the Company will need to raise additional financial resources to enable the Group to undertake an optimal programme of exploration and appraisal activity over the next twelve months. Accordingly, the Directors intend either to raise further funds or to engage an additional funding partner as appropriate during the course of the next twelve months.

In addition the Company has convertible debt which falls due for repayment in October 2003. To the extent that it is not converted into Shares, some or all of this debt may therefore fall to be repayable in cash. The Company may require additional funding at such time to meet any cash repayment.

Whilst the Directors are confident that the Group will be able to secure additional funding to enable it to continue to meet its debts as they fall due and to undertake the programme described above for at least the next twelve months from the date of approval of these financial statements, there can be no guarantee that this will be the case.

Directors

The Directors who served during the period were:

J A Mitchell
M P Martineau
C Schaffalitzky *(appointed 2 October 2002)*
W B Anderson
R J G Jenkins
G C FitzGerald
C G Hutson *(appointed 4 March 2002)*
M V St Giles *(retired 14 June 2002)*

Directors' Interests

Share Interests

The interests in the Ordinary Shares of 5 pence each ("Shares") of the Company held by those persons who were Directors of the Company and their immediate family on 31 December 2002 were as follows:

31 Dec 2002	31 Dec 2001	
	No. of Shares	No. of Shares
W B Anderson	200,000	200,000
G C FitzGerald	-	-
C G Hutson	200,000	-
R J G Jenkins	310,000	250,000
M P Martineau	744,500	44,500
J A Mitchell	200,000	-
C Schaffalitzky	900,000	-

Mr Jenkins' beneficial interest arises by virtue of both his own personal shareholding and his beneficial interest in a pension plan through which part of his total shareholding is held.

Share Options

The Directors of the Company hold share options granted under the Company's Executive Share Option Scheme, as indicated below. No share options were exercised during the year.

Share options granted on 22 August 2000:

	W B Anderson	R J G Jenkins
Exercise Price	No. of Options	No. of Options
23 pence	275,000	75,000
40 pence	250,000	250,000
60 pence	250,000	250,000
	775,000	575,000

The above share options have a ten year life from their date of grant and are exercisable by the relevant individuals as to one third after one year, one third after two years and one third after three years, as from the date of grant with the right of exercise relating to those options at their lower exercise prices prior to those at higher exercise prices. During the year, 250,000 share options exercisable at 40 pence and 250,000 share options exercisable at 60 pence, held by Mr Jenkins, were cancelled.

On 5 February 2001, the Company granted to Dr M P

Martineau the following share options, all exercisable at 30 pence and with a four year life:

No. of Options	Exercise Date
225,000	After 1 year
525,000	After 2 years
750,000	

On 8 February 2002, the Company approved and subsequently granted 1,110,000 share options, all exercisable at 18 pence and within four years from 8 February 2002:

	No. of Options
W B Anderson	300,000
R J G Jenkins	100,000
M P Martineau	500,000
Other staff	210,000
	1,110,000

The above share options are exercisable by the relevant individuals as to one third after one year, one third after two years and one third after three years from 8 February 2002.

On 4 November 2002, the Company granted 1,100,000 share options, exercisable at any time within ten years from that date, at the exercise prices specified below, as follows:

	8 pence	10 pence	12 pence	18 pence	Total
W B Anderson	-	150,000	-	-	150,000
C G Hutson	-	50,000	-	-	50,000
M P Martineau	-	100,000	-	-	100,000
J A Mitchell	-	50,000	-	-	50,000
C Schaffalitzky	150,000	-	150,000	200,000	500,000
Other staff	100,000	50,000	100,000	-	250,000
	250,000	400,000	250,000	200,000	1,100,000

Business Review

The review of the Group's business and prospects is set out in the Chairman's Statement and the Operations Review.

Share Capital

The authorised share capital of the Company at 31 December 2002 was £16,510,098.85 divided into 329,201,977 Shares, and 50,000 Preference shares of £1 each ("Preference Shares").

Section 95 of the Companies Act 1985 provides that any shares being issued for cash must in general be issued to all existing shareholders pro-rata to their holding. However, where directors have a general authority to allot shares they may be given power by the Articles or by a special resolution to allot shares pursuant to the authority as if the statutory pre-emption rights did not exist.

At the Annual General Meeting, held on 14 June 2002, the Board was given authority to allot equity securities for cash up to an aggregate nominal amount of £1,500,000, such authority to expire on the earlier of 15 months from the date of the resolution or the date of the next Annual General Meeting.

The Board has utilised this authority up to a nominal amount of £660,000 pursuant to:

(i) issue of 5,200,000 Shares at an issue price of 5 pence on 24 October 2002;

(ii) granting share options to subscribe for 1,100,000 Shares on 4 November 2002, under the Company's Executive Share Option Scheme ("the Scheme");

(iii) granting of warrants to subscribe for 500,000 Shares at an exercise price of 10 pence each at any time up to 24 October 2002 to Framlington Russian Investment Fund, in consideration for the latter's agreement to extend to then the repayment date of convertible loan stock held by it;

(iv) issue of 3,500,000 Shares at an issue price of 6 pence on 30 January 2003; and

(v) issue of 2,636,364 Shares at an issue price of 5.5 pence on 19 May 2003.

In addition, the Company has issued the following Shares, pursuant to the conversion of loan stock, in connection with the placing of shares:

(a) conversion of £111,027 of loan stock into 2,220,534 Shares at an issue price of 5 pence on 24 October 2002;

(b) conversion of £84,054 of loan stock into 1,490,308 Shares at an issue price of 5.64 pence on 30 January 2003; and

(c) conversion of £56,900 of loan stock into 1,124,497 Shares at an issue price of 5.06 pence on 19 May 2003.

As at 22 May 2002 outstanding loan stock of US$412,524 (£254,644) is convertible on future placings in subscription for Shares at a price per Share equal to 92% of the placing price.

No issue of Shares that would effectively change the control of the Company will be made without the prior approval of shareholders in general meeting.

The Company's share price varied between 6.2 pence and 16.89 pence during the year. At 31 December 2002 the mid-market price was 8.23 pence.

Substantial Share Interests

The Company had been notified of the following interests in Shares held as at 20 May 2003:

	Ordinary Shares	%
Framlington Russian Investment Fund	16,601,277	29.90
R B Rowan	3,769,000	6.79
Gartmore Growth Opportunities Fund	1,700,000	3.06
Nordea Bank Danmark A / S	1,667,000	3.00

Mr R B Rowan's interest shown above includes 35,000 Shares held by his wife, Carole Rowan.

Dividends and Profit Retention

No dividend is proposed in respect of the year (2001 £nil) and the retained loss for the year of £1,510,083 (2001 £504,018) has been taken to reserves.

Research and Development

The Group's research and development activities during the year continued to be concentrated principally on mineral exploration programmes and the improvement of mining techniques and metallurgical processes.

Policy on Payment of Suppliers

Terms and conditions under which business transactions are conducted with suppliers are agreed before business takes place. It is the Company's policy that payments to suppliers are made in accordance with these terms, provided that the suppliers are also complying with all relevant terms and conditions.

Auditors

KPMG Audit Plc are willing to continue in office and a resolution proposing their re-appointment as auditors of the Company and authorising the directors to fix their remuneration will be put to shareholders at the Annual General Meeting.

By order of the Board

Robert Jenkins

R J G Jenkins *Secretary*
22 May 2003

DIRECTORS' RESPONSIBILITIES in respect of the preparation of financial statements

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and Group and of the profit or loss for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT to the members of EURASIA MINING PLC

We have audited the financial statements on pages 14 to 31.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report. As described on page 12, this includes responsibility for preparing the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board, and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the group is not disclosed.

We read the other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Fundamental uncertainty – going concern

In forming our opinion, we have considered the adequacy of the disclosures made in note 1 to the financial statements concerning the fundamental uncertainty as to the availability to the Group of sufficient future funding to enable it to continue its operations. In view of the significance of this uncertainty we consider that it should be drawn to your attention but our opinion is not qualified in this respect.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the Company and the Group as at 31 December 2002 and of the loss of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc
Chartered Accountants
Registered Auditor
London
22 May 2003

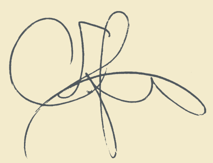
CONSOLIDATED PROFIT AND LOSS ACCOUNT *For the year ended 31 December 2002*

	Notes	**2002**	**2002**	2001	2001
		£	**£**	£	£
Administrative expenses	*5*	**(350,223)**		(433,906)	
Termination payment to former director		-		(75,000)	
Impairment of assets	*10(a), (b)*	**(667,760)**		(101,782)	
Total administrative expenses			**(1,017,983)**		(610,688)
Operating loss			**(1,017,983)**		(610,688)
Net interest (payable) / receivable and similar items	*7*		**(508,381)**		108,291
Loss on ordinary activities before taxation			**(1,526,364)**		(502,397)
Taxation	*8*		-		-
Loss on ordinary activities after taxation			**(1,526,364)**		(502,397)
Minority interest	*19*		**16,281**		(1,621)
Loss for the financial year			**(1,510,083)**		(504,018)
Loss per share	*9*		**(3.82)p**		(1.57)p

CONSOLIDATED BALANCE SHEET *At 31 December 2002*

	Notes	**2002**	2001
		£	£
Fixed assets			
Tangible – Exploration, development and production interests	*10 (a)*	**2,583,316**	2,988,423
Tangible – Other	*10 (a)*	**110,740**	129,381
Investments	*10 (b)*	**1,231**	68,631
Total fixed assets		**2,695,287**	3,186,435
Current assets			
Debtors	*11*	**147,866**	124,495
Cash at bank		**74,786**	333,784
Total current assets		**222,652**	458,279
Creditors - amounts falling due within one year (including convertible loan stock)	*12*	**(531,820)**	(830,710)
Net current liabilities		**(309,168)**	(372,431)
Total assets less current liabilities		**2,386,119**	2,814,004
Creditors – amounts falling due after more than one year	*13*	**(99,675)**	(110,263)
Net assets		**2,286,444**	2,703,741
Capital and reserves			
Called-up share capital	*17*	**2,338,575**	1,810,986
Share premium account	*18*	**6,826,671**	6,573,225
Capital redemption reserve	*18*	**3,539,906**	3,539,906
Profit and loss account	*18*	**(10,418,862)**	(9,237,361)
Equity shareholders' funds		**2,286,290**	2,686,756
Minority interest	*19*	**154**	16,985
		2,286,444	2,703,741

The financial statements were approved by the Board on 22 May 2003 and signed on their behalf by:

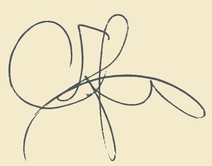


C Schaffalitzky *Director*

COMPANY BALANCE SHEET *At 31 December 2002*

	Notes	2002	2001
		£	£
Fixed assets			
Tangible – Exploration, development and production interests	*10(a)*	**494,674**	257,523
Tangible – Other	*10(a)*	**3,133**	6,497
Investments	*10(b)*	**1**	1
Total fixed assets		**497,808**	264,021
Current assets			
Debtors	*11*	**3,975,884**	4,498,885
Cash at bank		**61,902**	315,390
Total current assets		**4,037,786**	4,814,275
Creditors - amounts falling due within one year (including convertible loan stock)	*12*	**(527,426)**	(828,516)
Net current assets		**3,510,360**	3,985,759
Total assets less current liabilities		**4,008,168**	4,249,780
Net assets		**4,008,168**	4,249,780
Capital and reserves			
Called-up share capital	*17*	**2,338,575**	1,810,986
Share premium account	*18*	**6,826,671**	6,573,225
Capital redemption reserve	*18*	**3,539,906**	3,539,906
Profit and loss account	*18*	**(8,696,984)**	(7,674,337)
Equity shareholders' funds		**4,008,168**	4,249,780

The financial statements were approved by the Board on 22 May 2003 and signed on their behalf by:



C Schaffalitzky *Director*

CONSOLIDATED CASH FLOW STATEMENT *For the year ended 31 December 2002*

	Notes	2002	2001
		£	£
Cash flow from operating activities	*20(a)*	**(373,367)**	(396,360)
Returns on investments and servicing of finance	*20(b)*	**2,393**	11,885
Capital expenditure and financial investment	*20(c)*	**(414,444)**	(590,757)
Cash outflow before use of liquid resources and financing		**(785,418)**	(975,232)
Financing			
Issue of ordinary shares		**526,420**	804,750
(Decrease) in cash in period		**(258,998)**	(170,482)

Reconciliation of net cash flow to movement in net debt (note 20 (d))

	2002	2001
(Decrease) in cash in the period	**(258,998)**	(170,482)
Change in net debt resulting from cash flows	**(258,998)**	(170,482)
Translation difference	**49,551**	(31,797)
Conversion of loan stock to equity	**231,615**	302,731
Movement in net debt in period	**22,168**	100,452
Net debt at 1 January 2002	**(346,505)**	(446,957)
Net debt at 31 December 2002	**(324,337)**	(346,505)

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

For the year ended 31 December 2002

	2002 £	2001 £
Loss for the financial year	**(1,510,083)**	(504,018)
Exchange gains/(losses) on foreign currency net investments	**328,582**	(61,645)
Total recognised gains and losses for the financial year	**(1,181,501)**	(565,663)

RECONCILIATION OF MOVEMENTS IN CONSOLIDATED SHAREHOLDERS' FUNDS

For the year ended 31 December 2002

	2002 £	2001 £
Total recognised gains and losses for the financial year	**(1,181,501)**	(565,663)
New share capital issued	**781,035**	1,199,980
Net (reduction)/addition in shareholders' funds	**(400,466)**	634,317
Opening shareholders' funds	**2,686,756**	2,052,439
Closing shareholders' funds	**2,286,290**	2,686,756

RECONCILIATION OF MOVEMENTS IN COMPANY SHAREHOLDERS' FUNDS

For the year ended 31 December 2002

	2002 £	2001 £
Total recognised gains and losses for the financial year	**(1,022,647)**	(492,094)
New share capital issued	**781,035**	1,199,980
Net (reduction)/addition in shareholders' funds	**(241,612)**	707,886
Opening shareholders' funds	**4,249,780**	3,541,894
Closing shareholders' funds	**4,008,168**	4,249,780

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Going concern

These financial statements are prepared on a going concern basis, notwithstanding the loss for the year to 31 December 2002 of £1,510,083 and accumulated losses, which the Directors believe to be appropriate for the following reasons:

In common with many exploration companies, the Company raises finance for its exploration and appraisal activities in discrete tranches to finance its activities for limited periods only. Further funding is raised as and when required.

The Directors are of the opinion that the Company will need to raise additional financial resources to enable the Group to undertake an optimal programme of exploration and appraisal activity over the next twelve months. Accordingly, the Directors intend either to raise further funds or to engage an additional funding partner as appropriate during the course of the next twelve months.

In addition the Company has convertible debt which falls due for repayment in October 2003. To the extent that it is not converted into Shares, some or all of this debt may therefore fall to be repayable in cash (see note 12). The Company may require additional funding at such time to meet any cash repayment.

Whilst the Directors are confident that the Group will be able to secure additional funding to enable it to continue to meet its debts as they fall due and to undertake the programme described above for at least the next twelve months from the date of approval of these financial statements, there can be no guarantee that this will be the case. The financial statements do not include any adjustments, particularly in respect of tangible fixed assets, stocks, investments, loans and provisions for winding up which would be necessary if the Company and Group ceased to be a going concern.

The following new accounting standards have become effective for the first time this year and have been adopted by the Group. FRS 19 'Deferred Taxation' requires full provision to be made for deferred tax assets and liabilities arising from timing differences between recognition of gains and losses in the financial statements and their recognition in a tax computation. There has been no impact on the financial statements from adopting FRS 19 in the current or prior year other than the additional disclosures shown in notes 14.

Basis of consolidation

Details of principal subsidiaries and associated undertakings are given in note 10. The consolidated financial statements have been prepared from the financial statements of the Company and all subsidiary undertakings and also include the Group's share of the results of associated undertakings. Each company in the Group and each associated undertaking has prepared financial statements for the period ended 31 December 2002 which have been adjusted where necessary to conform with the Group's accounting policies.

Exploration and development costs

All costs associated with mineral exploration and investments are capitalised on a project-by-project basis, pending determination of the feasibility of the project. Costs incurred include appropriate technical and administrative expenses but not general overhead. If an exploration project is successful, the related expenditures will be transferred to mining assets and amortised over the estimated life of the commercial ore reserves on a unit of production basis. Where a licence is relinquished or a project abandoned, the related costs are written off. Where the Group maintains an interest in a project, but the value of the project is considered to be impaired, a provision against the relevant capitalised costs will be raised.

The recoverability of all exploration and development costs are dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of reserves and future profitable production or proceeds from the disposition thereof.

Decommissioning, site restoration and environmental costs

Group companies are generally required to restore mine and processing sites at the end of their producing lives to a condition acceptable to the relevant authorities and consistent with the Group's environmental policies. The expected cost of any committed decommissioning or restoration programme, discounted to its net present value, is provided and capitalised at the beginning of each project. The capitalised cost is amortised over the life of the operation and the increase in the net present value of the provision for the expected cost is included with interest payable and similar items.

The cost of ongoing programmes to prevent and control pollution and to rehabilitate the environment is charged to the consolidated profit and loss account as incurred.

Other tangible fixed assets
Depreciation is calculated to write off office furniture, equipment and vehicles on a straight line basis over their estimated useful lives, which range from three to five years - computers 33%, fixtures & fitttings 20%.

Intangible assets
Intangible assets represent the cost of acquisition by the Group of rights, licences and know how. Such expenditure requires the immediate write-off of exploration and development expenditure that the Directors do not consider to be supported by the existence of commercial reserves. Otherwise expenditure is capitalised and depleted on a unit of production method over mineral reserves on a mine by mine basis.

Taxation
The charge for taxation is based on the profit or loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Foreign currencies
The financial statements of overseas subsidiaries are generally translated at the rate of exchange ruling at the balance sheet date with the exception of the year's profit and loss account, which is translated at the average exchange rates for the period of activity.

The exchange differences arising on the retranslation of opening net assets and on the retranslation of the profit and loss account to closing rates of exchange are taken directly to reserves. All other translation differences are taken to the profit and loss account.

Pension schemes
The Group does not operate any pension schemes for the benefit of its employees.

2 Operating environment and risks

The Company's operations are located principally in Russia and also since 2001 in South Africa. It is considered appropriate and prudent to draw attention to the broad range of economic and political uncertainties that affect the investment and operating environment in both these countries and which could potentially adversely affect the Company's business. At the same time, it should be emphasised that both countries have developed economic and legal infrastructures, including developed mining industries. The investment environment in Russia, in particular, has continued to improve over recent years, including in areas related to mining investment.

3 Segment analysis

	Operating loss		Net assets	
	2002	2001	**2002**	2001
	£	£	**£**	£
By geographical area				
Russia	**702,823**	194	**1,727,435**	2,032,750
Western Europe	**315,160**	610,494	**201,474**	470,241
South Africa	**-**	-	**357,535**	200,750
	1,017,983	610,688	**2,286,444**	2,703,741

All the Group's activities are related to the exploration and development of gold, Platinum Group Metals and other minerals in Russia and South Africa.

NOTES TO THE FINANCIAL STATEMENTS

4 Employees

	2002	2001
	£	£
Staff costs (including Directors' remuneration and £75,000 termination payment in 2001 to a former director):		
Salaries and wages	**377,971**	472,296
Social security costs	**30,283**	21,277
	408,254	493,573
The average number of persons employed by the Group was as follows:	**Number**	Number
Operations	**39**	41
Administration	**6**	6
	45	47

5 Administrative expenses

	2002	2001
	£	£
These include:		
Depreciation of other tangible fixed assets	**7,353**	16,099
Amounts payable to KPMG Audit Plc and its associates.		
Audit- Group	**19,250**	16,000
- Company	**1,000**	1,000
Other services	**-**	750

6 Directors' emoluments

	2002	2001
	£	£
Directors' emoluments	**235,534**	294,079
Compensation for loss of office	-	75,000
	235,534	369,079

The highest paid director received remuneration of £96,764 (2001: £100,889).

7 Net interest (payable)/receivable and similar items

	2002	2001
	£	£
Foreign exchange (loss) / gain	(510,774)	96,406
Interest payable on bank loans and overdrafts	(51)	(932)
Interest receivable	2,444	12,817
	(508,381)	108,291

Foreign exchange gains and losses principally relate to exchange differences on intra-group balances denominated in Pounds Sterling and owing to the Company by its Cyprus subsidiaries. The latter prepare their financial statements in US Dollars, which consequently recognise in profit and loss account terms any US Dollar movement in the corresponding opening intra-group balances, resulting from changes in the US Dollar/Pound Sterling exchange rate over the year. For accounting purposes, such exchange gains and losses are also recognised in the Group's consolidated financial statements.

8 Taxation

The Company has made a loss in the United Kingdom. Consequently no liability to United Kingdom taxation arises. No other company in the Group has made profits liable to taxation.

	2002	2001
Current tax reconciliation	£000	£000
Loss on ordinary activities before tax	(1,526)	(502)
Current tax at 30% (2001: 30%)	(458)	(151)
Effects of:		
Tax losses carried forward	102	151
Depreciation and impairment charges in excess of capital allowances	203	-
Overseas tax implications	153	-
Tax loss on ordinary activities	-	-

There was no tax payable for the year ended 31 December 2002 (2001: £nil) due to the Company having taxable losses.

The Group's business operations currently comprise mining projects in Russia and South Africa, which are all currently at an exploration stage The Group has tax losses carried forward on which no deferred tax asset is recognised that may affect the future tax position, as and when its mining projects reach a development stage.

9 Loss per share

Loss per share is calculated by reference to the loss for the year of £1,510,083 (2001: £504,018) and the weighted average number of Shares in issue during the year of 39,544,148 (2001: 32,104,950).

10 Fixed assets

(a) Tangible	Group Exploration & Development Interests	Group Other Fixtures & Equipment	Company Exploration & Development Interests	Company Fixtures & Equipment
	£	£	£	£
Cost				
As at 1 January 2002	5,025,678	456,215	339,585	88,040
Additions	420,760	330	239,301	-
Impairment provision utilised	(2,639,913)	(201,782)	(84,212)	-
Exchange	(223,209)	(15,563)	-	-
At 31 December 2002	2,583,316	239,200	494,674	88,040
Depreciation and impairment provision				
As at 1 January 2002	2,037,255	326,834	82,062	81,543
Depreciation charge	-	7,353	-	3,364
Impairment charge	602,658		2,150	
Impairment provision utilised	(2,639,913)	(201,782)	(84,212)	
Exchange	-	(3,945)	-	-
At 31 December 2002	-	128,460	-	84,907
Net book value				
At 31 December 2002	2,583,316	110,740	494,674	3,133
At 31 December 2001	2,988,423	129,381	257,523	6,497

Exploration expenditure reflected above is stated net of contributions made by Anglo Platinum Corporation Limited. These contributions amounted cumulatively to £658,841 at 31 December 2002 and £349,717 at 31 December 2001.

The recoverability of all exploration and development costs shown above are dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of reserves and future profitable production or proceeds from the disposition thereof. The impairment charge above and in (b) below results from the Company's decision during the year to discontinue further exploration work on its Soloviev Hill platinum project.

Details of the Group's exploration and development interests are included in the Operations Review.

(b) Investments	Group Undertakings	Company Undertakings
	£	£
Cost		
As at 1 January 2002	68,631	1
Impairment charge	(65,102)	-
Exchange	(2,298)	-
At 31 December 2002	1,231	1

The Company and the Group have interests in the following material subsidiary and other significant investments, which are included in the consolidated financial statements.

Principal subsidiary undertakings	Country of Incorporation/ Registration	Principal Activity	Principal Country of Operation	Description and Effective Proportion of Shares Held
Eurasia Mining (UK) Limited	England & Wales	Holding Company	United Kingdom	100% Ordinary
Eurasia Holdings Limited	Cyprus	Holding Company	Cyprus	100% Ordinary
Eurasia Investments Limited	Cyprus	Holding Company	Cyprus	100% Ordinary
Eurasia Mining (Cyprus) Limited	Cyprus	Service Company	Cyprus	100% Ordinary
Eurasia Mines Limited	Cyprus	Service Company	Russia	100% Ordinary
Eurasia North Limited	Cyprus	Holding Company	Cyprus	100% Ordinary
Eurasia Plast Limited	Cyprus	Holding Company	Cyprus	100% Ordinary
Eurasia PGM Limited	Cyprus	Holding Company	Cyprus	80% Ordinary
Masedi Platinum (Proprietary) Limited	South Africa	Service Company	South Africa	90% Ordinary
OAO Chromite *	Russia	Mineral Evaluation & Production	Russia	59% Ordinary
ZAO Baronskoye Mining *	Russia	Mineral Evaluation & Production	Russia	75% Ordinary
ZAO Eurasia Mining Services	Russia	Mineral Evaluation & Production	Russia	100% Ordinary
ZAO Kosvinsky Kamen *	Russia	Mineral Evaluation & Production	Russia	75% Ordinary
ZAO ZolotoPlast *	Russia	Mineral Evaluation & Production	Russia	50% Ordinary

* The Group controls each of the above under the terms of the respective shareholders agreement providing all necessary finance and management on a day to day basis. Consequently they are accounted for as subsidiary undertakings and in view of the arrangements regarding future operating surpluses, which principally accrue to the Group until the investment is recovered, no minority interest is recognised.

11 Debtors

	Group		Company	
	2002	2001	**2002**	2001
	£	£	**£**	£
Amount due from subsidiary undertakings	**-**	-	**3,835,300**	4,381,146
Other debtors	**147,866**	124,495	**140,584**	117,739
	147,866	124,495	**3,975,884**	4,498,885

12 Creditors - amounts falling due within one year

	Group		Company	
	2002	2001	**2002**	2001
	£	£	**£**	£
Other creditors	**75,153**	35,957	**70,759**	33,763
Secured Convertible Loan Stock	**399,123**	680,289	**399,123**	680,289
Accruals	**57,544**	114,464	**57,544**	114,464
	531,820	830,710	**527,426**	828,516

Included above in amounts falling due within one year is US$642,548 (£399,123) of Secured Convertible Loan Stock, created by way of a loan stock instrument in 1997 (the "Loan Stock"). The Loan Stock is secured by a pledge agreement over the shares of Eurasia North Limited and that company's shareholding in OAO Chromite, which holds the licence over the Soloviev Hill platinum prospect.

The Loan Stock was subscribed in its entirety by Framlington Russian Investment Fund, and as at 31 December 2002 falls due for repayment at 24 October 2003. The outstanding loan stock is convertible at an 8% discount to the price at which the Company may issue further Shares prior to 24 October 2003, subject to the limitation that such conversion does not result in Framlington Russian Investment Fund's shareholding exceeding 29.9% of the Company's issued Shares. Framlington Russian Investment Fund may also utilise the outstanding balance of its Loan Stock as consideration for the exercise of share options and warrants held by it, in which case such 8% discount, referred to above, will not apply. During the year US$347,545 (£231,615) of the loan stock was converted into new shares in the Company, concurrent with share placings undertaken by the Company.

13 Creditors – amounts falling due after one year

	Group		Company	
	2002	2001	**2002**	2001
	£	£	**£**	£
Minority shareholder loan	**99,675**	110,263	**-**	-
	99,675	110,263	**-**	-

The minority shareholder loan relates to long term funding advanced by the 20% minority shareholder in Eurasia PGM Limited in connection with the Company's Baronskoye palladium-gold project. The minority shareholder loan is interest free and is repayable when the project reaches such an advanced stage of development that it can be repaid out of the proceeds of either the project's cash flow or through the direct or indirect disposal to a third party of an interest in the project.

14 Deferred taxation

The elements of deferred taxation are as follows:

	Group	
	2002	2001
	£000	£000
Difference between accumulated depreciation and capital allowances	**959**	703
Tax losses	**2,351**	2,249
Unrecognised deferred tax asset	**3,310**	2,952

The implementation of FRS 19 has not had an impact on the Company's current year results, during the current or prior year.

No deferred tax has been recognised for the tax losses and differences between accumulated depreciation and capital allowances as the realisability of the deferred tax asset is not considered more likely than not.

15 Financial instruments

The Group is at an early stage of development and has yet to commence commercial production. Two risks which the Group encounters, are currency exposure and liquidity risk. Currency exposure is managed as far as is practical by financing the Group's development and exploration activity in hard currency and to match the currency of borrowing to the expected revenue stream. Liquidity risk is managed by tight controls over expenditure. The Board determines, as required, the degree to which it is appropriate to use financial instruments or hedging contracts or techniques to mitigate risks. During the year ended 31 December 2002 the Group has not entered into any hedging or forward exchange rate contracts.

The information below describes the Group's financial instruments. Short term debtors and creditors are excluded from the numerical disclosures below with the exception of the currency risk disclosures.

(a) Financial liabilities
The currency profile of the financial liabilities is set out below:

	2002	2001
Group	**£**	£
US Dollars (secured loan stock)	**399,123**	680,289

(b) Financial assets
The currency and interest rate profile of the financial assets of the Group are as follows:

Group	**2002**	2001
Cash:	**£**	£
Pounds Sterling	**60,167**	312,461
US Dollars	**1,982**	7,099
Russian Roubles	**12,637**	14,224
	74,786	333,784

Financial assets are at floating rate, comprising cash earning interest at various rates set with reference to the prevailing LIBOR

or equivalent for the relevant country.

(c) Maturity of financial liabilities
As at 31 December 2002 and 31 December 2001 all the Group's financial liabilities, as distinct from short term creditors such as trade creditors and accruals, were repayable within one year, with the exception of the long term shareholder loan referred to in note 12.

As at 31 December 2002 there were no undrawn committed facilities.

(d) Currency risk
The table below shows the extent to which Group companies have monetary assets and liabilities in currencies other then their functional currency. Foreign exchange differences on retranslation of such assets and liabilities are taken to the profit and loss account.

(e) Fair values of financial assets and liabilities
There is no material difference between fair value and book value. The Group has not entered into any hedging or forward exchange rate contracts.

16 Group net foreign currency monetary assets / (liabilities)

	2002	2001
	£	£
Australian Dollars	**(636)**	(3,202)
Euros	**(5,333)**	(1,205)
US Dollars	**28,199**	22,398
	22,230	17,991

17 Called-up share capital

	2002		2001	
	Number of Shares	**Nominal Value £**	Number of Shares	Nominal Value £
Authorised:				
Attributable to equity interests				
Ordinary Shares at 5 pence	**329,201,977**	**16,460,099**	329,201,977	16,460,099
Attributable to non-equity interests				
Preference Shares at £1	**50,000**	**50,000**	50,000	50,000
Share capital allotted, called-up and fully paid:				
Ordinary Shares at 5 pence	**46,771,498**	**2,338,575**	36,219,724	1,810,986

The increase in the Company's share capital during the year occurred as follows:

	Date	Number of Shares	Issue price Pence	Nominal value £
Share placing	22 May 2002	2,195,000	14	109,750
Loan stock conversion	22 May 2002	936,240	12.88	46,812
Share placing	24 October 2002	5,200,000	5	260,000
Loan stock conversion	24 October 2002	2,220,534	5	111,027
Total		10,551,774		527,589
Share capital 1 January 2002		36,219,724		1,810,986
Share capital 31 December 2002		46,771,498		2,338,575

Of the above Shares issued during the year by the Company, 6,935,000 Shares were issued in share placings for an aggregate cash consideration of £526,420, including share premium net of issue expenses.

18 Reserves

	Group £	Company £
Share premium account		
At 1 January 2002	**6,573,225**	6,573,225
Premium on shares issued during the year	**253,446**	253,446
At 31 December 2002	**6,826,671**	6,826,671
Capital redemption reserve		
At 1 January and 31 December 2002	**3,539,906**	3,539,906
Profit and loss account		
At 1 January 2002	**(9,237,361)**	(7,674,337)
Loss for year	**(1,510,083)**	(1,022,647)
Other recognised gains/losses	**328,582**	-
At 31 December 2002	**(10,418,862)**	(8,696,984)

Eurasia Mining PLC has taken advantage of the exemption permitted by section 230 of the Companies Act 1985 and has not presented the Company's own profit and loss account.

19 Minority interest

	2002 £	2001 £
At 1 January	**16,985**	21,986
Reduction in minority interest	-	(10,503)
Exchange loss	**(550)**	3,881
(Loss)/profit for the year	**(16,281)**	1,621
At 31 December	**154**	16,985

NOTES TO THE FINANCIAL STATEMENTS

20 Cash flow statement

	2002	2001
	£	£
a) Reconciliation of Operating Profit to Operating Cash Flows		
Operating Loss	**(1,017,983)**	(610,688)
Depreciation charges	**7,353**	16,099
Impairment provision utilised	**667,760**	101,782
Profit on disposal of tangible fixed assets	**(6,646)**	-
(Increase) in debtors	**(23,371)**	(28,921)
(Decrease)/increase in creditors	**(480)**	125,368
Net cash outflow from operating activities	**(373,367)**	(396,360)
b) Returns on investments and servicing of finance		
Interest received	**2,444**	12,817
Interest paid	**(51)**	(932)
Net cash outflow from returns on investments and servicing of finance	**2,393**	11,885
c) Capital expenditure and financial investment		
Purchase of tangible fixed assets	**(330)**	(5,814)
Proceeds from disposal of tangible fixed assets	**6,646**	-
Investment in exploration and development	**(420,760)**	(584,935)
Purchase of shares	**-**	(8)
Net cash outflow for capital expenditure and financial investment	**(414,444)**	(590,757)

d) Analysis of Net Debt	At 1 Jan 2002	Conversion of loan stock	Cash flow	Exchange	At 31 Dec 2002
	£	£	£	£	£
Cash in hand, at bank	333,784		(258,998)		74,786
Debt due within one year	(680,289)	231,615	-	49,551	(399,123)
	(346,505)	231,615	(258,998)	49,551	(324,337)

The conversion of loan stock relates to the conversion of £231,615 of debt into equity (refer to note 12).

21 Contingencies and commitments

The Group has no material contingent liabilities or commitments.

22 Related party transactions

The Company has a lease agreement on normal commercial terms for the rental of office facilities from Argonaut Associates, a partnership in which John Mitchell, Chairman of the Company, is a partner. The total payable to Argonaut Associates and a related party in respect of the foregoing amounted to £37,505 in the year, of which £nil is included in creditors at 31 December 2002. During the year, the Company also made payments amounting to £8,429 for internet access and secretarial services to Law Alert Limited, a company in which Mr Mitchell is a director and shareholder.

In addition, Mr G C FitzGerald, a Non-Executive Director of the Company, was also a director of Framlington Russian Investment Fund during 2002, which is a shareholder in the Company and the holder of the Company's convertible loan stock, as referred to in note 12. The Company has taken advantage of the exemptions under FRS 8 and accordingly does not disclose intra-group transactions.

23 Post balance sheet events

On 30 January 2003 the Company issued 3,500,000 Shares in a placing at 6 pence per Share, raising £210,000 before expenses.

On 19 May 2003 the Company issued 2,636,364 Shares in a placing at 5.5 pence per Share raising £145,000 before expenses.

COMPANY INFORMATION

Directors

J A Mitchell	*(Non Executive Chairman)*
M P Martineau	*(Executive Deputy Chairman)*
C Schaffalitzky	*(Managing Director)*
W B Anderson	*(Operations Director)*
R J G Jenkins	*(Finance Director)*
G C FitzGerald	*(Non Executive)*
C G Hutson	*(Non Executive)*

Secretary
R J G Jenkins

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E-mail: info@eurasia-mining.plc.uk
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Russian Office
194 Lunacharsky Street
Ekaterinburg
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Facsimile: +(7) 3432 615924

Company Number 3010091

ADVISERS

Auditors
KPMG Audit Plc
8 Salisbury Square
London EC4Y 8BB

Registrars
Capita IRG Plc
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU

Bankers
National Westminster Bank plc
1 Princes Street
London EC2R 8PH

Solicitors
Eversheds
Senator House
85 Queen Victoria Street
London EC4V 4JL

Nominated Adviser
Grant Thornton
Grant Thornton House
Melton Street, Euston Square
London NW1 2EP

Stockbrokers
W H Ireland Limited
62-64 Cannon Gate House
Cannon Street, London EC4N 6AE
and
11 St. James's Square
Manchester M2 6WH

Share Analysis

as *at 20 May 2003*

Holdings	No of Accounts	No of shares held	% of share capital
1 - 10,000	1,077	4,222,223	7.60
10,001 - 50,000	300	7,042,438	12.68
50,001 - 100,000	51	4,016,435	7.23
100,001 - 500,000	41	9,077,487	16.35
500,001 - 1,000,000	12	7,911,807	14.25
1,000,001 - 5,000,000	3	6,651,000	11.98
5,000,001 -	1	16,601,277	29.90
Totals	**1,485**	**55,522,667**	**100.00**

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