

ANNUAL REPORT & ACCOUNTS 2004

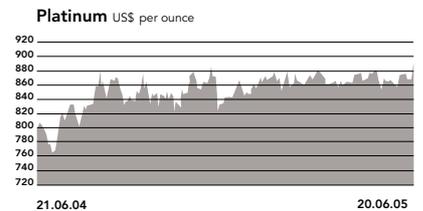
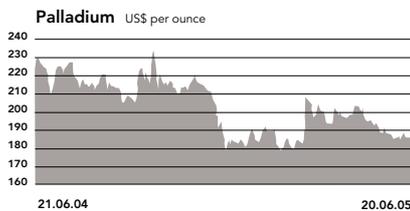
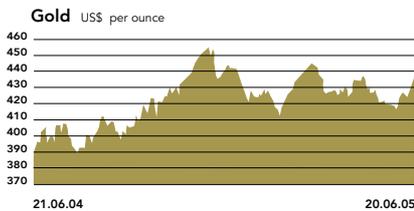


EURASIA MINING PLC

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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



Source: www.kitco.com



EURASIA PLANS TO ACQUIRE THREE EXPLORATION LICENCES ON THE KOLA PENINSULA EXPLORATION RESULTS INDICATE POTENTIALLY COMMERCIAL GRADES OF PLATINUM GROUP METALS

CHAIRMAN'S STATEMENT

I reported in my interim statement that 2004 was to be a year of consolidation for the company, and our progress in line with that objective during the year has left us well placed to exploit the opportunities we believe now offer the best value for our shareholders. Having disposed of our South African interests, we are now clearly focused on projects within Russia, and events since the year-end have already advanced our position significantly.

In Russia, where Eurasia is now focusing its activity, the Government has introduced major changes designed to open up opportunities to a wider range of local and international investors. Whilst we welcome the intent of the changes, these have been accompanied by moratoria on licence renewals and have limited our activities on existing licences. We have used the time when we could not conduct field work on our own projects to conduct field and data reviews on more advanced projects in Russia. In parallel, we have been working on securing future developments through further strategic alliances.

This culminated in the agreement in April 2005 of an important new partnership with AngloGold Ashanti Limited ("AngloGold Ashanti"), the world's second-largest gold producer, which brings us affordable access to potential projects in eastern Siberia, currently one of the world's most promising areas of prospectivity for hard-rock gold deposits. In the central Urals, where we have continued work on our exploration and development alliance with Anglo Platinum Limited ("Anglo Platinum") we have sharpened our focus of exploration on our joint prospects and applied for new exploration rights further to the north.

Taken together, these developments reflect the continued expansion and strengthening of our activities in both platinum group metals and gold, the latter becoming an important new element in our development strategy for the company.

Kola

Eurasia is continuing with its plan to acquire three exploration licences on the Kola Peninsula in north-west Russia, where early exploration results indicate the presence of potentially commercial grades of platinum group metals (PGMs).

Together, the licences cover a total area of 450 sq km on a geological trend where the Canadian mining groups Barrick Gold and Consolidated Puma Minerals Corporation are carrying out advanced exploration and feasibility studies on nearby deposits. Gold Fields Limited is completing feasibility studies on deposits in similar trends across the border in Finland.

The Company has considered several alternative ways to fund the acquisition as third parties (both Russian and overseas) have expressed interest in participating in the projects. The company will select the best approach and agree to final acquisition terms that will realize the best value for shareholders.

The Urals

The Company continues to work on exploration and development of alluvial projects in the Urals in a 50:50 joint venture with Anglo Platinum, who are contributing 100% of the funding.

Commencement of test mining to include bulk sampling and metallurgical test work planned for this year at West Kytlim has been delayed while we await resolution of administrative issues related to the extended licence. We remain optimistic for a re-commencement of work in the second half of 2005.

Successful geological reconnaissance well north of our current projects has identified several new prospective areas for which licence applications are in preparation.

Also in the Urals, the Company has applied for a new, reduced licence area to cover the drill defined bedrock PGM and gold discoveries at Kluevsky and Baronskoye in the Central Urals. Planned future work will focus on assessment of metallurgical and mining characteristics of potential near surface bulk mineable low grade resources, particularly at Kluevsky.

South Africa

Following the completion of our first stage drilling programme and a careful appraisal of the new minerals legislation, we announced the sale of the Group's PGM mineral interests in South Africa in December 2004. The interests were sold to Nkwe Platinum Limited, for a consideration in cash and shares, details of which can be found in the Financial Statements. A further rationale for this decision was to sharpen the company's focus on Russia, as well as provide additional working capital for expansion of our activities in the Russian Gold sector.

AngloGold Ashanti and other alliances

Eurasia has established an exploration alliance with AngloGold Ashanti Limited, the world's number two gold producer, covering gold and related mineral exploration and possible development projects in eastern Siberia. The alliance combines our country experience and exploration management skills in the region with AngloGold Ashanti's resources.

The Eastern Siberian geological environment, particularly in the vicinity of the intersection of the Siberian and Mongolia/China tectonic plate margins represents one of the best endowed, yet least systematically explored regions of the world for hard rock gold deposits. Historic production in the region was dominated by placer mining of alluvial gold. Since the mid 20th Century a

number of large hard rock deposits have been explored and developed. Total resources in these deposits, including previous production and known reserves, stands well in excess of 65 million ounces, or 2,000 tonnes of gold.

The new agreement gives AngloGold Ashanti the exclusive right to participate in projects proposed by Eurasia, which has been appraising potential prospects over a period of 18 months in conjunction with local companies and government in the region. AngloGold Ashanti will pay an entry fee of \$100,000 and fund the first \$2 million of exploration spending in recognition of Eurasia's work to date. Subsequent spending will be shared equally.

Our objective is to participate in the rapid advancement of a number of projects towards feasibility study. The exploration alliance very considerably extends the range and type of projects in which Eurasia can participate within this highly prospective but increasingly more competitive environment for gold project development. We look forward to early success.

Your company also continues independently to seek projects that will add value to our portfolio by reviewing and potentially bidding for both prospective mineral ground as well as advanced stage projects elsewhere in the country. In this regard the company is working with a Russian partner to jointly acquire advanced gold development and exploration properties.

Board and Management

The company is reorganising the board and will be adding new blood to strengthen our developments in Russia. Following the AGM, Dr Michael Martineau will take over the position of Chairman while I will remain as non-executive director.

Bill Anderson, our Operations director, has decided not to stand for re-election, to allow for the extra operational time he wishes to devote to developing the company's gold strategy, for which he will now take the lead role. Mr Ed Slowey, a geologist with broad experience in exploration, mining and feasibility study management, including at the giant Sukhoi Log gold deposit in Siberia, has been seconded to Eurasia from CSA Group Limited as part of an alliance with this consulting group to supply key personnel in engineering and geology. Ed will manage operations in Russia based out of our office in Ekaterinburg.

Corporate Issues

The company is in the process of consolidating and simplifying the structure of its holding companies in Cyprus. In anticipation of this we have written off the investment in historic gold projects dating from the 1990s and written down, in the company balance sheet, the related intra group indebtedness. The changes are designed to reduce ongoing legal and management time and costs and provide a structure more relevant to our developing activities.

Conclusion

The alliance with AngloGold Ashanti and our joint venture with Anglo Platinum add great substance to our work and strengthen our presence in Russia. The new alliance also recognises the major progress we have made in Russia over the past two years and illustrates the importance of patience and persistence in a vast and well mineralised country.

Finally, I would like to thank the Board and staff for their continuing work and contribution during the year, and also our advisors for their ongoing

support. With continuing healthy price projections for both platinum and gold, combined with a steadily improving business environment in Russia, Eurasia is in a strengthened position to capitalize on its investment and maximize the options available to expand its business during 2005.



John Mitchell
Chairman

**EURASIA HAS
ESTABLISHED AN
EXPLORATION ALLIANCE
WITH ANGLOGOLD
ASHANTI, THE WORLD'S
NUMBER TWO GOLD
PRODUCER
THE ALLIANCE
COMBINES OUR
COUNTRY EXPERIENCE
AND EXPLORATION
MANAGEMENT SKILLS
IN THE REGION WITH
ANGLOGOLD ASHANTI'S
RESOURCES**

DIRECTORS' BIOGRAPHIES

JOHN MITCHELL BA Oxon, age 58, 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 60, 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 51, appointed 2 October 2002, is Managing Director. With over 25 years experience in minerals exploration, Christian Schaffalitzky was a founder of Ivornia 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 55, 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.

GARY FITZGERALD age 51 is a Non-Executive Director. He was previously a Director of Framlington Investment Management Limited and has over 29 years experience in investment management. He has diverse experience in emerging markets including the launching of the first fund for investing in Russia in the early 1990's.

REPORT OF THE DIRECTORS

The Directors present their report and audited financial statements. The Profit and Loss Account for the year ended 31 December 2004 and the Balance Sheets as at 31 December 2004 are set out on pages 12 to 14.

Principal Activities

The principal activity of the Group is mineral exploration for platinum group metals and gold in Russia. A review of the Group's activities is set out in the Chairman's Statement.

Directors

The Directors who served during the period were:

J A Mitchell
 M P Martineau
 C Schaffalitzky
 W B Anderson
 R J G Jenkins (resigned 2 June 2004)
 G C FitzGerald

Directors' Interests

Share Interests

The directors of the Company who held office at 31 December 2004 held the following beneficial interests (including interests held by spouses and minor children) in the ordinary shares of the Company:

	31 Dec 2004	31 Dec 2003
	No. of Shares	No. of Shares
W B Anderson	200,000	200,000
G C FitzGerald	1,197,857	1,197,857
M P Martineau	915,928	915,928
J A Mitchell	200,000	200,000
C Schaffalitzky	1,838,428	1,638,428
Total	4,352,213	4,152,213

Share options

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

	31 Dec 2004	31 Dec 2003
	No of Options	No. of Options
W B Anderson	600,000	600,000
G C FitzGerald	225,000	225,000
M P Martineau	700,000	700,000
J A Mitchell	50,000	50,000
C Schaffalitzky	1,200,000	1,200,000
Total	2,775,000	2,775,000

Warrant Interests

The directors of the Company who held office at 31 December 2004 held the following beneficial interests (including interests held by spouses and minor children) in warrants to subscribe for ordinary shares of the Company:

	31 Dec 2004	31 Dec 2003
	No of Shares	No. of Shares
G C FitzGerald	35,714	35,714
M P Martineau	17,857	17,857
C Schaffalitzky	67,857	17,857
Total	121,428	71,428

Business Review

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

Share Capital

The authorised share capital of the Company at 31 December 2004 was £16,510,098.85 divided into 329,201,977 Ordinary Shares of 5 pence each ("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 2 June 2004, 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 £1,304,375 pursuant to:

- (i) granting share options to subscribe for 750,000 Shares on 3 June 2004 and 100,000 shares on 14 July 2004, under the Company's Executive Share Option Scheme;
- (ii) issue of 800,000 shares at an issue price of 6 pence on 8 October 2004;
- (iii) issue of 18,750,000 shares at an issue price of 5 pence on 3 March 2005; and
- (iv) granting of warrants to subscribe for 5,687,500 Shares at an exercise price of 6 pence each at any time up to 3 March 2006.

At an Extraordinary General Meeting, held on 16 May 2005, the Board was given authority to allot equity securities pursuant to sections 80 and 95 of the Companies Act 1985 for cash up to an aggregate nominal amount of £2,000,000 such authority to expire on the day of the next Annual General Meeting to be held on 10 August 2005. The Board has not utilised this authority to date.

Resolution 5 will be proposed at the Annual General Meeting as an ordinary resolution for the renewal of the Directors' general authority to issue relevant securities up to an aggregate nominal amount of £2,000,000.

Resolution 6 will be proposed at the Annual General Meeting as a special resolution for the renewal of the Directors' authority to allot relevant securities for cash, without first offering them to shareholders pro rata to their holdings, pursuant to section 95 of the Companies Act 1985 up to an aggregate nominal amount of £2,000,000.

The authorities granted under resolutions 5 and 6 will expire at the earlier of the next Annual General Meeting or the date being fifteen months from the passing of the resolutions. (The Directors have no present intention of exercising this authority.)

The Company's share price varied between 3.75 pence and 10 pence during the year. At 30 December 2004 the mid-market price was 4 pence.

Substantial Share Interests

The Company had been notified of the following interests in Shares held as at 31 May 2005:

	Ordinary Shares	%
Firebird Global Master Fund Ltd	12,377,143	11.93
Ferrier Lullin & Cie SA	6,000,000	5.78
Golden Prospect Plc	4,800,000	4.63
Raffles Associates LP	4,000,000	3.85
R B Rowan	3,769,000	3.63
El Oro and Exploration Company Plc	3,479,286	3.35
Gartmore Growth Opportunities Plc	3,242,607	3.13

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

Statement of Directors' Responsibilities

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 are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for ensuring that the Directors' Report and other information included in the annual report is prepared in accordance with company law in the United Kingdom.

The maintenance and integrity of the Eurasia Mining plc website is the responsibility of the Directors: the work carried out by the auditors does not involve consideration of these matters, and accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Corporate Governance

The Board of Directors

The Directors are responsible for the Group's system of internal control and for reviewing its effectiveness. The risk management process and systems of internal control are designed to manage rather than eliminate the risk of failure to achieve the Company's objectives. Any such system of internal financial control can only provide reasonable but not absolute assurance against material misstatement or loss.

Full meetings are held quarterly to review Group strategy, direction and financial performance. The executive Directors meet regularly to review operational reports from all the Group's areas of operations. The process is used to identify major business risks and evaluate their financial implications and ensure an appropriate control environment. Certain control over expenditure is delegated to on site project managers subject to Board control by means of monthly budgetary reports. Internal financial control procedures include:-

- Preparation and regular review of operating budgets and forecasts
- Prior approval of all capital expenditure
- Review and debate of treasury policy
- Unrestricted access of non-executive Directors to all members of senior management.

The Board, in conjunction with members of the Audit Committee, has reviewed the effectiveness of the system of internal control for the period from 1st January 2004 to the date of this report.

Audit Committee

The Chairman of the Audit Committee is John Mitchell. The Audit Committee may examine any matters relating to the financial affairs of the Group and the Group's audits, this includes reviews of the annual financial

statements and announcements, internal control procedures, accounting procedures, accounting policies, the appointment, independence, objectivity, terms of reference and fees of external auditors and such other related functions as the Board may require.

The membership of the Audit Committee comprises two non-executive Directors, John Mitchell and Gary FitzGerald. The external auditors have direct access to the members of the committee, without presence of the executive Directors, for independent discussions.

Remuneration Committee

The Chairman of the Remuneration Committee is John Mitchell. The committee comprises two non-executive Directors, John Mitchell and Gary FitzGerald. It determines the terms and conditions of employment and annual remuneration of the executive Directors. It consults with the Managing Director, takes into consideration external data and comparative third party remuneration and has access to professional advice outside the Company.

The key policy objectives of the Remuneration Committee in respect of the Company's executive Directors and other senior executives are:-

- a) to ensure that individuals are fairly rewarded for their personal contribution to the Company's overall performance, and
- b) to act as an independent committee ensuring that due regard is given to the interests of the Company's Shareholders and to the financial and commercial health of the Company.

Remuneration of executive Directors comprises basic salary, discretionary bonuses, participation in the Company's Share Option Scheme and other benefits. The Company's remuneration policy with regard to options is to maintain an amount of not more than 10% of the issued share capital in options for the Company's management and employees which may include the issue of new options in line with any new share issues.

Total Directors' emoluments are disclosed in note 6 to the financial statements and the Directors' options are disclosed above. During the year 850,000 options were granted to employees.

Dividends and Profit Retention

No dividend is proposed in respect of the year (2003 £nil) and the retained loss for the year of £1,471,790 (2003 £609,465) has been taken to reserves.

Policy on Payment of Suppliers

The Company's policy is to settle terms of payment with its suppliers when agreeing the terms of each transaction, ensuring that suppliers are made aware of the terms of payment, and abiding by the agreed terms. There were no trade creditors at the year end.

Auditors

Grant Thornton UK LLP 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

M J de Villiers
Secretary

29 June 2005

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF EURASIA MINING PLC

We have audited the financial statements of Eurasia Mining plc for the year ended 31 December 2004 which comprise the consolidated profit and loss account, the balance sheets, the consolidated cash flow statement, the consolidated statement of total recognised gains and losses, the reconciliation of movements in consolidated shareholders' funds and notes 1 to 22. These financial statements have been prepared under the accounting policies set out therein.

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 auditors' 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' responsibilities for preparing the annual report and the financial statements in accordance with United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom auditing standards.

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 other information contained in the annual report and consider whether it is consistent with the audited financial statements. This other information comprises only the chairman's statement, directors' biographies

and the report of the directors. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of opinion

We conducted our audit in accordance with United Kingdom 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company and the group at 31 December 2004 and of the loss of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

GRANT THORNTON UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS
Portsmouth
29 June 2005

CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2004

	Notes	Continuing operations 2004 £	Discontinued operations 2004 £	Total 2004 £	Total 2003 £
Impairment of assets	10(a)	(1,008,003)	(453,374)	(1,461,377)	(52,337)
Other administrative expenses	5	(726,811)	-	(726,811)	(472,406)
Total administrative expenses and operating loss		(1,734,814)	(453,374)	(2,188,188)	(524,743)
Gain on disposal of subsidiaries	10(c)	569,627	199,992	769,619	-
Loss after disposal of subsidiary		(1,165,187)	(253,382)	(1,418,569)	(524,743)
Net interest payable / receivable & similar items	7			(69,239)	(103,285)
Loss on ordinary activities before taxation				(1,487,808)	(628,028)
Taxation	8			-	-
Loss on ordinary activities after taxation				(1,487,808)	(628,028)
Minority interest	18			16,018	18,563
Loss for the financial year				(1,471,790)	(609,465)
Loss per share	9			(1.74)p	(1.01)p

There were no profits or losses in 2003 in respect of the operations discontinued in 2004.

CONSOLIDATED BALANCE SHEET

At 31 December 2004

	Notes	2004 £	2003 £
Fixed assets			
Intangible - exploration, development and production interests	10 (a)	1,316,485	2,803,835
Tangible	10 (a)	40,160	94,320
Investments			
Interest in joint venture			
Share of gross assets	10 (b)	735,326	-
Share of gross liabilities	10 (b)	(107,046)	-
		628,280	-
Other investments	10 (c)	154,018	1,108
Total fixed assets		2,138,943	2,899,263
Current assets			
Debtors	11	247,074	85,662
Cash at bank		83,162	1,005,632
Total current assets		330,236	1,091,294
Creditors - amounts falling due within one year	12	(237,442)	(225,959)
Net current assets		92,794	865,335
Total assets less current liabilities		2,231,737	3,764,598
Creditors - amounts falling due after more than one year	13	(83,290)	(89,638)
Net assets		2,148,447	3,674,960
Capital and reserves			
Called-up share capital	16	4,250,586	4,210,586
Share premium account	17	7,100,374	7,092,374
Capital redemption reserve	17	3,539,906	3,539,906
Profit and loss account	17	(12,710,717)	(11,150,416)
Equity shareholders' funds		2,180,149	3,692,450
Minority interest	18	(31,702)	(17,490)
		2,148,447	3,674,960

The financial statements were approved by the Board on 29 June 2005 and signed on their behalf by:



C Schaffalitzky
Director

COMPANY BALANCE SHEET

At 31 December 2004

	Notes	2004 £	2003 £
Fixed assets			
Intangible - exploration, development and production interests	10(a)	365,349	795,221
Tangible	10(a)	4,013	934
Investments	10(c)	371,571	3,114,475
Total fixed assets		740,933	3,910,630
Current assets			
Debtors	11	1,171,220	1,063,684
Cash at bank		81,395	908,853
Total current assets		1,252,615	1,972,537
Creditors - amounts falling due within one year	12	(365,464)	(222,063)
Net current assets		887,151	1,750,474
Total assets less current liabilities		1,628,084	5,661,104
Capital and reserves			
Called-up share capital	16	4,250,586	4,210,586
Share premium account	17	7,100,374	7,092,374
Capital redemption reserve	17	3,539,906	3,539,906
Profit and loss account	17	(13,262,782)	(9,181,762)
Equity shareholders' funds		1,628,084	5,661,104

The financial statements were approved by the Board on 29 June 2005 and signed on their behalf by:



C. Schaffalitzky
Director

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2004

	Notes	2004 £	2003 £
Net cash outflow from operating activities	19(a)	(697,149)	(306,994)
Returns on investments and servicing of finance	19(b)	12,763	649
Capital expenditure and financial investment	19(c)	(443,584)	(489,760)
Acquisitions and disposals	19(d)	157,500	-
Net cash outflow before financing		(970,470)	(796,105)
Financing:			
Issue of ordinary shares		48,000	1,726,951
(Decrease)/increase in cash in the period		(922,470)	930,846
Reconciliation of net cash flow to movement in net funds	19(e)		
(Decrease)/increase in cash in the period		(922,470)	930,846
Change in net funds resulting from cash flows		(922,470)	930,846
Translation difference		-	4,142
Conversion of loan stock to equity		-	394,981
Movement in net funds in the period		(922,470)	1,329,969
Net funds/(debt) at 1 January		1,005,632	(324,337)
Net funds at 31 December		83,162	1,005,632

OTHER PRIMARY STATEMENTS

For the year ended 31 December 2004

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

For the year ended 31 December 2004

	2004	2003
	£	£
Loss for the financial year	(1,471,790)	(609,465)
Exchange (losses) on foreign currency net investments	(88,511)	(122,089)
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Total recognised gains and losses for the financial year	(1,560,301)	(731,554)
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SHAREHOLDERS' FUNDS

For the year ended 31 December 2004

	2004	2003
	£	£
Total recognised gains and losses for the financial year	(1,560,301)	(731,554)
New share capital issued	48,000	2,137,714
<hr/>		
Net (reduction) / addition in shareholders' funds	(1,512,301)	1,406,160
Opening shareholders' funds	3,692,450	2,286,290
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Closing shareholders' funds	2,180,149	3,692,450
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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2004

1 Accounting policies

Accounting convention and basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards and the Statement of Recommended Practice: Accounting for Oil and Gas Exploration, Development, Production and Decommissioning Activities (revised June 2001).

The principal accounting policies of the Group are set out below. The policies have remained unchanged from the previous year.

These financial statements are prepared on a going concern basis, notwithstanding the loss for the year to 31 December 2004 of £1,471,790 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 require 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. 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.

Basis of consolidation

Details of principal subsidiaries and joint ventures 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 joint ventures. Each company in the Group and each joint venture has prepared financial statements for the period ended 31 December 2004 which have been adjusted where necessary to conform with the Group's accounting policies.

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.

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 overheads. 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 is 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.

Tangible fixed assets

Tangible fixed assets are included at cost less depreciation. 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.

Investments

Investments are included at cost, less amounts written off.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2004

Joint ventures

The group financial statements incorporate joint ventures under the gross equity method of accounting, supplemented by additional disclosures.

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. Deferred tax assets are recognised when it is more likely than not that they will be recovered.

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.

Financial instruments

Financial assets are recognised in the balance sheet at the lower of cost and net realisable value. Provision is made for diminution in value where appropriate.

Income and expenditure on financial instruments is recognised on the accruals basis and credited to the profit and loss account in the financial period to which it relates.

2 Operating environment and risks

The Company's operations are located principally in Russia. 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 this country and which could potentially adversely affect the Company's business. At the same time, it should be emphasised that Russia has developed economic and legal infrastructures, including developed mining industries.

3 Segment analysis

	Loss before tax		Net assets employed	
	2004	2003	2004	2003
	£	£	£	£
By geographical area				
Russia	279,602	31,685	1,907,884	2,126,378
Western Europe	954,824	596,343	240,563	1,067,031
South Africa	253,382	-	-	481,551
	1,487,808	628,028	2,148,447	3,674,960

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 (the South African interests were disposed of prior to the year end).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2004

4 Employees

	2004	2003
	£	£
Staff costs:		
Salaries and wages	473,119	381,030
Social security costs	32,391	32,258
	505,510	413,288

The average number of persons employed by the Group was as follows:	Number	Number
Operations	26	35
Administration	6	6
	32	41

5 Administrative expenses

	2004	2003
	£	£
These include:		
Depreciation of tangible fixed assets	5,395	7,139
Audit - Group, payable to KPMG Audit Plc	5,210	22,000
- Company, payable to KPMG Audit Plc	-	1,000
Audit - Group, payable to Grant Thornton UK LLP	17,000	-
- Company, payable to Grant Thornton UK LLP	1,000	-

6 Directors' emoluments

	2004	2003
	£	£
Directors' emoluments	225,358	266,560

The highest paid director received remuneration of £79,538 (2003: £89,209).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2004

7 Net interest (payable)/receivable and similar items	2004	2003
	£	£
Foreign exchange (loss)	(82,002)	(103,934)
Interest payable on bank loans and overdrafts	(276)	(204)
Interest receivable	13,039	853
	(69,239)	(103,285)

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.

	2004	2003
	£000	£000
Current tax reconciliation		
Loss on ordinary activities before tax	(1,488)	(628)
Current tax at 30% (2003: 30%)	(446)	(188)
Effects of:		
Tax losses carried forward	143	139
Depreciation and impairment charges greater than capital allowances	280	16
Expenses not deductible for tax purposes	23	33
Tax loss on ordinary activities	-	-

There was no tax payable for the year ended 31 December 2004 (2003: £nil) due to the Company having taxable losses.

The Group's business operations currently comprise mining projects in Russia, 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 £1,471,790 (2003: £609,465) and the weighted average number of Shares in issue during the year of 84,388,766 (2003: 60,476,830). There is no dilutive effect of share options or warrants.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2004

10 Fixed assets

(a)	Group Intangible Exploration & Development Interests £	Group Tangible Fixtures & Equipment £	Company Intangible Exploration & Development Interests £	Company Tangible Fixtures & Equipment £
Cost				
As at 1 January 2004	2,803,835	225,455	795,221	89,063
Additions	493,414	5,799	439,295	5,103
Disposals	(406,054)	(47,734)	(329,802)	-
Impairment charge	(1,461,377)	-	(539,365)	-
Exchange	(113,333)	(6,328)	-	-
At 31 December 2004	1,316,485	177,192	365,349	94,166
Depreciation				
As at 1 January 2004	-	131,135	-	88,129
Disposals	-	(47,734)	-	-
Depreciation charge	-	46,139	-	2,024
Exchange	-	7,492	-	-
At 31 December 2004	-	137,032	-	90,153
Net book value				
At 31 December 2004	1,316,485	40,160	365,349	4,013
At 31 December 2003	2,803,835	94,320	795,221	934

The recoverability of all exploration and development costs shown above is 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. Disposals stated above represent the disposal of certain exploration interests and include a non-cash disposal of £105,584 as part exchange for the Group's share in the joint venture described below in note (b). The impairment charge above relates to the Company's decision not to proceed with further evaluation of certain exploration projects.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2004

(b) Investment In Joint Venture

50% Joint Venture interest in Urals Alluvial Platinum Limited ("UAP")

The effective date of the Company's joint venture agreement with Anglo Platinum Limited was backdated to 1 August 2003, after satisfaction of all conditions precedent by February 2004. This created a 50:50 jointly owned company, Urals Alluvial Platinum Limited. The Group transferred its 100% interest in ZAO Eurasia Mining Services and its 75% interest in ZAO Kosvinsky Kamen to UAP in return for its 50% shareholding in UAP. At 1 January 2004, the fair value of UAP's net assets recognised by the transaction was £1,352,338 (US\$2,420,888), the Group's 50% share being £676,169. Changes in the value of the Group's interest during 2004 were as follows:

	2004
	£
Net assets at 1 January	676,169
Foreign exchange revaluation	(47,889)
Net assets at 31 December	628,280
The following amounts represent the Group's share of the joint venture.	
Turnover	-
Profit before and after tax	-
Current assets	-
Deferred exploration and evaluation expenditure	735,326
Gross assets	735,326
Liabilities due after more than one year	(107,046)
Net assets	628,280

(c) Investments – other

	Group	Company	
	£	£	
Cost			
As at 1 January 2004	1,108	3,114,475	
Acquisition	153,889	-	
Disposals	(966)	-	
Exchange	(13)	-	
Reduction in value of intra-group indebtedness	-	(2,742,904)	
At 31 December 2004	154,018	371,571	
Disposals of subsidiaries were as follows	Cost	Proceeds	Gain
Masedi Platinum Limited (sold during December 2004)	8	200,000	199,992
ZAO Eurasia Mining Services and ZAO Kosvinsky Kamen	106,542	676,169	569,627
	106,550	876,169	769,619

The acquisition of £153,889 represented the market value of 490,000 shares in Nkwe Platinum Limited, (a company listed on the Australian Stock Exchange), received in December 2004 in part payment for the disposal of Masedi Platinum Limited.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2004

The disposals of ZAO Eurasia Mining Services ("EMS") and ZAO Kosvinsky Kamen ("KK") were made in return for a 50% joint venture shareholding in Urals Alluvial Platinum Limited. The non-cash proceeds on disposal of EMS and KK represent the £676,169 fair value of the joint venture interest.

The Company and the Group have interests in the following material subsidiaries 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	UK	100% Ordinary
Eurasia Investments Limited	Cyprus	Holding Company	Cyprus	100% Ordinary
Eurasia Mines Limited	Cyprus	Service Company	Russia	100% Ordinary
Eurasia PGM Limited	Cyprus	Holding Company	Cyprus	80% Ordinary
ZAO Baronskoye Mining*	Russia	Mineral Evaluation & Production	Russia	75% Ordinary
Eurasia Holdings Limited	Cyprus	Dormant	Cyprus	100% Ordinary
Eurasia Mining (Cyprus) Limited	Cyprus	Dormant	Cyprus	100% Ordinary
Eurasia North Limited	Cyprus	Dormant	Cyprus	100% Ordinary
Eurasia Plast Limited	Cyprus	Dormant	Cyprus	100% Ordinary

* The Group controls the above under the terms of its shareholders agreement providing all necessary finance and management on a day to day basis. Consequently it is accounted for as a subsidiary undertaking 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.

Joint venture investment

Urals Alluvial Platinum Limited	Cyprus	Mineral Evaluation & Production	Russia	50% Ordinary
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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2004

11 Debtors

	Group		Company	
	2004	2003	2004	2003
	£	£	£	£
Amount due from subsidiary undertaking	-	-	1,003,074	986,940
Nkwe Platinum Limited	133,452	-	65,952	-
Other debtors	93,785	61,661	82,357	52,743
Prepayments	19,837	24,001	19,837	24,001
	247,074	85,662	1,171,220	1,063,684

The amount due from subsidiary undertaking has no fixed terms of repayment.

The Nkwe Platinum debtor of £133,452 is due in respect of the sale of the Group's shares and intellectual property in its South African interests. The payment of these amounts is contingent upon the issue by the South African authorities of a new order mining licence to the purchaser, Nkwe Platinum Limited, subject to which £67,500 will be received in cash and £65,952 in the form of 210,000 shares in Nkwe Platinum Limited.

12 Creditors – amounts falling due within one year

	Group		Company	
	2004	2003	2004	2003
	£	£	£	£
Amount due to subsidiary undertaking	-	-	131,083	-
Taxes and social security	29,965	17,118	29,965	17,118
Other Creditors	89,271	82,782	86,210	78,886
Accruals	118,206	126,059	118,206	126,059
	237,442	225,959	365,464	222,063

The amount due to subsidiary undertaking has no fixed terms of repayment.

13 Creditors – amounts falling due after more than one year

	Group		Company	
	2004	2003	2004	2003
	£	£	£	£
Minority shareholder loan	83,290	89,638	-	-

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 PGM-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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2004

14 Deferred taxation

The elements of deferred taxation are as follows:

	Group	
	2004	2003
	£000	£000
Difference between accumulated depreciation and capital allowances	7	1,045
Tax losses	1,668	2,491
Unrecognised deferred tax asset	1,675	3,536

No deferred tax has been recognised for the tax losses and differences between accumulated depreciation and capital allowances as the recoverability of the deferred tax asset is dependent upon future profits.

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 2004 the Group has not entered into any hedging or forward exchange rate contracts.

There is no material difference between fair value and book value of financial instruments.

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 assets

The currency and interest rate profile of the financial assets of the Group are as follows:

Group	2004	2003
Cash:	£	£
Pounds Sterling	80,174	894,532
US Dollars	1,780	108,864
Russian Roubles	1,208	2,236
	83,162	1,005,632

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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2004

(b) Financial liabilities

As at 31 December 2004 and 31 December 2003 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 13.

As at 31 December 2004 there were no undrawn committed facilities.

(c) Currency risk

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

Group Net Foreign Currency Monetary Assets/(Liabilities)

Functional currency of Group operation	GBP £	US \$	Euro €	CYP £
GBP £	-	16,890	(5,664)	(22,230)
US \$	(1,003,074)	-	-	-
31 December 2004	(1,003,074)	16,890	(5,664)	(22,230)
GBP £	-	(30,688)	(17,719)	(24,546)
US \$	(952,417)	-	-	-
31 December 2003	(952,417)	(30,688)	(17,719)	(24,546)

16 Called-up share capital

	2004		2003	
	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
Issued:				
Share capital allotted, called-up and fully paid:				
Ordinary Shares at 5 pence	85,011,717	4,250,586	84,211,717	4,210,586

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2004

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

Share issue	Date	Number of Shares	Issue price Pence	Nominal value £
Share placing	12 October 2004	800,000	6	40,000
Share capital 1 January 2004		84,211,717		4,210,586
Share capital 31 December 2004		85,011,717		4,250,586

During the year the Company issued 800,000 shares in a share placing for an aggregate cash consideration of £48,000, including share premium. There were no issue expenses.

Potential issues of ordinary shares:

Share options and warrants

At 31 December 2004 the Company had 4,329,998 options and 3,660,714 warrants outstanding for the issue of ordinary shares, as follows:

Options

Date of grant	Exercisable from	Exercisable to	Exercise price	Number at 1.01.04	Number Granted	Number at 31.10.04
8 February 2002	8 February 2002	8 February 2006	18p	134,998		134,998
4 November 2002	4 November 2002	4 November 2012	8p	250,000		250,000
4 November 2002	4 November 2002	4 November 2012	10p	400,000		400,000
4 November 2002	4 November 2002	4 November 2012	12p	250,000		250,000
26 November 2003	26 November 2003	26 November 2013	7.25p	1,945,000		1,945,000
26 November 2003	26 November 2003	26 November 2013	10p	500,000		500,000
3 June 2004	3 June 2004	30 November 2014	7.25p		750,000	750,000
14 July 2004	14 July 2004	30 December 2014	7.25p		100,000	100,000
				3,479,998	850,000	4,329,998

Warrants

12 December 2003	12 December 2003	12 December 2005	10p	3,660,714		3,660,714
Total contingently issuable shares at 31 December 2004				7,140,712	850,000	7,990,712

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2004

17 Reserves

	Group £	Company £
Share premium account		
At 1 January 2004	7,092,374	7,092,374
Premium on shares issued during the year	8,000	8,000
At 31 December 2004	7,100,374	7,100,374
Capital redemption reserve		
At 1 January and 31 December 2004	3,539,906	3,539,906
Profit and loss account		
At 1 January 2004	(11,150,416)	(9,181,762)
Loss for year	(1,471,790)	(4,081,020)
Other recognised gains/losses	(88,511)	-
At 31 December 2004	(12,710,717)	(13,262,782)

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

18 Minority interest

	2004 £	2003 £
At 1 January	(17,490)	154
Exchange gain	1806	919
Loss for the year	(16,018)	(18,563)
At 31 December	(31,702)	(17,490)

19 Cash flow statement

	2004 £	2003 £
(a) Reconciliation of Operating Profit to Operating Cash Flows		
Operating loss	(2,188,188)	(524,743)
Depreciation charges	46,139	7,139
Impairment charge	1,461,377	52,337
(Increase)/decrease in debtors	(27,960)	62,204
Increase/(decrease) in creditors	11,483	96,069
Net cash outflow from operating activities	(697,149)	(306,994)
(b) Returns on investments and servicing of finance		
Interest received	13,039	853
Interest paid	(276)	(204)
Net cash outflow from returns on investments and servicing of finance	12,763	649

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2004

	2004	2003	
	£	£	
(c) Capital expenditure and financial investment			
Purchase of tangible fixed assets	(5,799)	(1,023)	
Investment in exploration and development	(493,414)	(488,737)	
Proceeds from sale of exploration assets	55,629	-	
Net cash outflow for capital expenditure and financial investment	(443,584)	(489,760)	
(d) Acquisitions and Disposals			
Sale of subsidiary	157,500	-	
Non-cash acquisition of 50% joint venture company	(676,169)	-	
Non-cash disposal of subsidiary to joint venture company	106,542	-	
Non-cash gain on acquisition of joint venture company	569,627	-	
Net cash inflow from acquisitions and disposals	157,500	-	
(e) Analysis of Net Funds			
	At 1 Jan		At 31 Dec
	2004	Cash flow	2004
	£	£	£
Cash in hand, at bank	1,005,632	(922,470)	83,162

20 Contingencies and commitments

The Group has no material contingent liabilities or commitments.

21 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 Mr J A Mitchell, Chairman of the Company, is a partner. The total payable to Argonaut Associates in respect of the foregoing amounted to £37,000 in the year, of which £nil is included in creditors at 31 December 2004. During the year, the Company also made payments amounting to £5,700 for internet access and secretarial services to Law Alert Limited, a company in which Mr Mitchell is a director and shareholder.

22 Post balance sheet events

On 3 March 2005, the Company raised £937,500, before expenses, by way of a placing of 18,750,000 new Ordinary Shares of 5p each at 5p per share. The total number of shares in issue following the placing is 103,761,717. For every four Ordinary Shares issued the placees received one warrant to subscribe for Ordinary Shares at a price of 6p per share. The Warrants will expire on 3 March 2006. After the placing, the Company has 9,348,214 warrants in issue.



EURASIA MINING PLC

("the Company")

NOTICE OF ELEVENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the eleventh Annual General Meeting of the Company will be held at 14-16 Regent Street, London SW1Y 4PH on 10 August 2005 at 11.00 am for the following purposes

Ordinary Business

1. To consider and approve the audited accounts for the period ended 31 December 2004 together with the Report of the Directors and the auditors thereon.
2. To re-appoint Grant Thornton UK LLP as auditors of the Company to hold office until the conclusion of the next general meeting at which accounts are laid before the Company.
3. To authorise the Directors to determine the remuneration of the auditors of the Company.
4. To re-appoint as a Director, Mr Michael P Martineau, who is required under the Articles of Association of the Company to retire by rotation, and who being eligible, offers himself for re-election.

Special Business

As special business to consider and, if thought fit, pass the following resolutions to be proposed as to resolution 5 as an ordinary resolution and as to resolution 6 as a special resolution:

5. That the Directors be and they are hereby generally and unconditionally authorised in accordance with section 80 of the Companies Act 1985 ("the Act") to allot relevant securities (as defined in that section) up to an aggregate nominal amount of £2,000,000, such authority to expire at midnight on the date being fifteen months from the passing of this resolution or, if earlier, on the date of the next Annual General Meeting after the passing of this resolution (unless previously revoked, varied or extended) but so that such authority shall allow the Company to make offers or agreements before the expiry thereof which would or might require relevant securities to be allotted after the expiry of such authority and the Directors may allot relevant securities in pursuance of such an offer or agreement as if the authority had not expired, but this authority shall be in substitution for any authority previously given to the Directors under section 80 of the Act;
6. That the Directors be and they are hereby empowered pursuant to section 95 of the Companies Act 1985 ("the Act") to allot equity securities (within the meaning of section 94(2) of the Act) pursuant to the general authority conferred by resolutions as set out in the notice of this meeting for cash as if section 89(1) of the Act did not apply to any such allotment provided that this power shall be limited to the allotment of equity securities up to an aggregate nominal value of £2,000,000 and shall expire on the date being fifteen months from the passing of this resolution or, if earlier, on the date of the next Annual General Meeting after the passing of this resolution, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired.

Dated 29 June 2005

BY ORDER OF THE BOARD

M J de Villiers
Secretary

NOTES

1. A member of the Company entitled to attend and vote at the meeting convened by this Notice may appoint one or more proxies to attend and vote on a poll in his stead. A proxy need not be a member of the Company.
2. To be valid, the enclosed Form of Proxy must be completed and lodged together with the Power of Attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof, at the registered office of the Company not less than forty eight hours before the time appointed for holding the meeting.
3. Completion of the Form of Proxy does not preclude a member from attending and voting at the meeting if they so wish.
4. The Company, pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, specifies that only shareholders registered in the register of members of the Company as at 11.00 am on 8 August 2005 shall be entitled to attend and vote, whether in person or by proxy, at the Annual General Meeting in respect of the number of shares registered in their name at that time. Changes to entries in the register of members after that time shall be disregarded in determining the rights of any person to attend or vote at the Annual General Meeting.
5. By attending the meeting, members agree to receive any communication at the meeting.
6. Biographical details of the Director who is being proposed for re-election by shareholders are set out in the Directors Biographies.



EURASIA MINING PLC
("the Company")

FORM OF PROXY

For use by members at the Eleventh Annual General Meeting to be held on 10 August 2005

PLEASE COMPLETE IN BLOCK CAPITALS

I/We,

of _____, being a
member/members of the Company hereby appoint the Chairman of the Meeting or (please see note 4 below)

of _____ as

my/our proxy to vote for me/us and on my/our behalf at the Eleventh Annual General Meeting of the Company to be held on the tenth day of August 2005 at 11.00 am and at every adjournment thereof and to sign on my/our behalf any consent to short notice relating thereto.

I/We direct my/our proxy to vote on the Resolutions set out in the notice convening the Annual General Meeting of the Company dated 29 June 2005 as follows and otherwise as he/she shall think fit:

	For	Against
1. To approve the audited accounts for the period ended 31 December 2004		
2. To re-appoint Grant Thornton UK LLP as auditors		
3. To authorise the Directors to determine the remuneration of the auditors		
4. To re-appoint Michael P Martineau as a Director		
5. To authorise the Directors to allot relevant securities pursuant to section 80 of the Companies Act 1985		
6. To authorise the Directors to allot equity securities pursuant to section 95 of the Companies Act 1985		

Signed

Dated

Full name and address

PLEASE COMPLETE IN BLOCK CAPITALS

NOTES

1. To be valid for the Annual General Meeting or the adjourned Annual General Meeting, this proxy and the power of attorney (if any) under which it is signed, or a notarially certified copy thereof, must reach the registered office of the Company by 11.00 am on 8 August 2005.
2. In the case of a corporate shareholder this form of proxy must be given under its seal or signed on its behalf by a duly authorised attorney or officer of the corporate shareholder. In the case of joint holders, this form of proxy may be signed by any one holder but the vote of the senior holder who tenders a vote will be accepted to the exclusion of the vote(s) of the other joint holders, with seniority being determined by the order in which the names stand in the register of members of the Company.
3. Instructions as to voting should be indicated by an "X" in the appropriate box. In the absence of instructions as to voting and on any other business that may properly be considered by the meeting the proxy will vote (or abstain from voting) as he/she thinks fit.
4. If it is desired to appoint a proxy other than the Chairman of the Meeting, the words "the Chairman of the Meeting" should be deleted and the name and address of the person to be appointed should be inserted in the space provided.
5. Any alteration to this form of proxy must be initialled.
6. Completion of this form of proxy does not preclude a member from attending and voting at the meeting should they so wish.

FOLD 1

FOLD 2

AFFIX
STAMP

Capita Registrars
(Proxies)
P O Box 25
Beckenham
Kent BR3 4BR

FOLD 3
(then turn in)

COMPANY INFORMATION

Directors

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

Secretary

M J de Villiers

Head Office and Registered Office

14-16 Regent Street
London SW1Y 4PH
Telephone: +44 (0) 20 7976 1222
Facsimile: +44 (0) 20 7976 1422
E-mail: info@eurasia-mining.plc.uk
www.eurasia-mining.plc.uk

Russian Office

194 Lunacharsky Street
Ekaterinburg
Russia
Telephone: +(7) 3432 615187
Facsimile: +(7) 3432 615924

Company Number 3010091

ADVISERS

Auditors

Grant Thornton UK LLP
Manor Court
Barnes Wallis Road
Segensworth
Fareham
Hampshire PO15 5GT

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 LLP
Senator House
85 Queen Victoria Street
London EC4V 4JL

Nominated Adviser and 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 31 May 2005

Holdings	No of Accounts	No of shares held	% of share capital
1 - 10,000	994	3,785,912	3.65
10,001 - 50,000	361	8,999,924	8.67
50,001 - 100,000	70	5,474,637	5.28
100,001 - 500,000	69	17,113,733	16.49
500,001 - 1,000,000	17	12,539,115	12.10
1,000,001 - 5,000,000	17	38,698,451	37.29
5,000,001 -	2	17,149,945	16.52
Totals	1,530	103,761,717	100.00



EURASIA MINING PLC

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