

## INTERIM REPORT STATEMENT

Your Company has made considerable progress in strengthening its minerals operations in Russia during the first half of 2003. This is part of the major build-up of Russian activities that we announced last year, and we believe the fruits of this work will start to become visible in the months ahead.

### Russia

In January 2003 we announced that the Company had entered into a heads of agreement to develop the Ametistovoye gold project in Eastern Russia. As described in our Annual Report, this project has an underground resource of 1.4 million ounces of gold, according to Russian estimates. We have now completed our own first stage detailed assessment of the reserve in place and have identified a resource of approximately 800,000 ounces mineable by open pit methods which we believe will optimise the return on investment. As a result, we have made a new proposal to the owners for the development. Exploration work planned for the Kumroch project, some 650 km to the south west of Ametistovoye, will await our decision on the Ametistovoye development itself.

In early summer, field work commenced on our West Kytlim licence which forms part of the Urals Alluvials programme, currently funded by Anglo Platinum. Preliminary results are encouraging.

Samples from our initial pits south of the historic mining area in the Malaya Kosva River, designed to investigate inferred and previously unmined channel alluvials, have identified grades comparable with production grades recorded from nearby dredging, which we believe are within economic limits. The possible extension to these channels, defined in exploration pitting conducted during a Russian programme in the 1960's some 600m upstream from Eurasia's sampling, provide

an encouraging start in the task of defining a substantial deposit. Although the need for new environmental permits has caused the suspension of some field activities, we expect to resume work shortly.

We have also recently announced that a wide-spaced reconnaissance soil geochemical survey, conducted on the Baranchinsky License Area in the Urals, has located several strong platinum in-soil geochemical anomalies over substantial widths, with spot values to 2.1 grammes per tonne (gm/t) of Platinum and, from a separate sample, 3 gm/t of gold. Dimensions of the anomalous areas remain open due to the broad spacing of this first survey. The next stage of our work will include step-out geochemical traversing to define the lateral extent and pit sampling to reach the bedrock where the in-situ grade may be determined, as a preliminary for drilling planned for later in the year. The implication of the initial sampling is that we may have discovered a stratiform platinum reef or reefs. Such a target would have important economic implications and justifies an immediate test.

In a new development also related to platinum, the Company is in an advanced stage of negotiations on a new platinum project in western Russia. This opportunity is also a hard rock project with several stratiform reef targets. Licences have been issued and the commercial agreements are being finalised. We will announce the details of these projects when the agreements have been finalised.

### South Africa

Recent changes to the legal framework for the mining industry in South Africa are presenting new challenges over the issues of royalties and Black Empowerment. But for new arrivals such as Eurasia these issues may be less critical as allowances can be built into project development plans. Planned drilling on our Kliprivier licence will commence as soon as we receive renewal permits applied for last February. In the meantime, we continue to look at ways to realise and add value to our South African portfolio, while continuing our expansion in Russia.

## Outlook

Russia's mining sector is now attracting growing investment interest from both local and foreign companies, with precious metals being the favoured commodities. Many projects are in development with indications of excellent rates of return and a considerable following in both UK and Canada. Eurasia continues to review and assess Russian opportunities for existing or near term production in both gold and platinum which will anchor the Company's development going forward in Russia. This takes considerable time and technical effort but we are confident that the rigorous and patient approach which we have adopted will produce the most satisfactory result for shareholders.



John Mitchell  
Chairman

30 July 2003

## CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the six month period ended 30 June 2003

	6 month period to 30 June 2003 (unaudited) £	6 month period to 30 June 2002 (unaudited) £	12 month period to 31 December 2002 (audited) £
Administrative expenses	(243,841)	(170,884)	(350,223)
Impairment of assets	-	-	(667,760)
<b>Total administrative expenses</b>	<b>(243,841)</b>	<b>(170,884)</b>	<b>(1,017,983)</b>
Loss from continuing activities before interest	(243,841)	(170,884)	(1,017,963)
Interest receivable & similar items	222	1,601	2,444
Interest payable & similar items	-	-	(51)
Foreign exchange loss	(133,997)	(158,161)	(510,774)
<b>Loss on ordinary activities before taxation</b>	<b>(377,616)</b>	<b>(327,444)</b>	<b>(1,526,364)</b>
Taxation	-	-	-
<b>Loss on ordinary activities after taxation</b>	<b>(377,616)</b>	<b>(327,444)</b>	<b>(1,526,364)</b>
Minority interest	3,741	7,542	16,281
<b>Retained loss for the period</b>	<b>(373,875)</b>	<b>(319,902)</b>	<b>(1,510,083)</b>
Loss per share	-0.72p	-0.87p	-3.82p

## CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

For the six month period ended 30 June 2003

	6 month period to 30 June 2003 (unaudited) £	12 month period to 31 December 2002 (audited) £
Loss for the period	(373,875)	(1,510,083)
Exchange adjustments on foreign currency net investments	93,244	328,582
<b>Total recognised gains and losses for the financial year</b>	<b>(280,631)</b>	<b>(1,181,501)</b>

## CONSOLIDATED BALANCE SHEET

As at 30 June 2003

	30 June 2003 (unaudited) £	31 December 2002 (audited) £
<b>Fixed assets</b>		
Tangible - Exploration, development and production interests	2,822,288	2,583,316
Tangible - Other	109,542	110,740
Investments	1,201	1,231
<b>Total fixed assets</b>	<b>2,933,031</b>	<b>2,695,287</b>
<b>Current assets</b>		
Debtors	64,255	147,866
Cash at bank	62,400	74,786
<b>Total current assets</b>	<b>126,656</b>	<b>222,652</b>
<b>Creditors</b> - amounts falling due within one year		
Other creditors and accruals	(490,676)	(531,820)
<b>Net current liabilities</b>	<b>(364,020)</b>	<b>309,168</b>
<b>Total assets less current liabilities</b>	<b>2,569,011</b>	<b>2,386,119</b>
<b>Creditors</b> - amounts falling due after more than one year	<b>(97,243)</b>	<b>(99,675)</b>
<b>Net assets</b>	<b>2,471,768</b>	<b>2,286,444</b>
<b>Capital and reserves</b>		
Called-up share capital	2,776,133	2,338,575
Share premium account	6,856,767	6,826,671
Capital redemption reserve	3,539,906	3,539,906
Profit and loss account	(10,699,493)	(10,418,862)
<b>Equity shareholders' funds</b>	<b>2,475,313</b>	<b>2,286,290</b>
Minority interest	(3,545)	154
	<b>2,471,768</b>	<b>2,286,444</b>

### Notes

- 1 No dividend is proposed to be paid in respect of the period.
- 2 The results for the period are all derived from continuing activities.
- 3 The calculations of loss per share have been based on the retained loss after taxation for the period and on a weighted average of 51,635,423 ordinary shares in issue during the period.
- 4 The unaudited results have been prepared on a going concern basis and on the basis of the accounting policies adopted in the audited accounts for the year ended 31 December 2002.
- 5 The interim report is unaudited and does not constitute Statutory Accounts as defined in section 240 of the Companies Act 1985. A copy of the Group's 2002 Statutory Accounts has been filed with the Registrar of Companies. The auditors opinion on these Statutory Accounts was unqualified, but drew attention to the fundamental uncertainty as to the adequacy and availability of funding to the Group.
- 6 The Interim Report for the six months to 30 June 2003 was approved by the Directors on 30 July 2003.

## COMPANY INFORMATION

### Directors

J A Mitchell	<i>Non-Executive Chairman</i>
M P Martineau	<i>Executive Deputy Chairman</i>
C Schaffalitzky	<i>Managing Director</i>
W B Anderson	<i>Operations Director</i>
R J G Jenkins	<i>Finance Director</i>
G C FitzGerald	<i>Non-Executive Director</i>
C G Hutson	<i>Non-Executive Director</i>

### Secretary

R J G Jenkins

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### ADVISERS

#### Auditors

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#### Solicitors

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#### Bankers

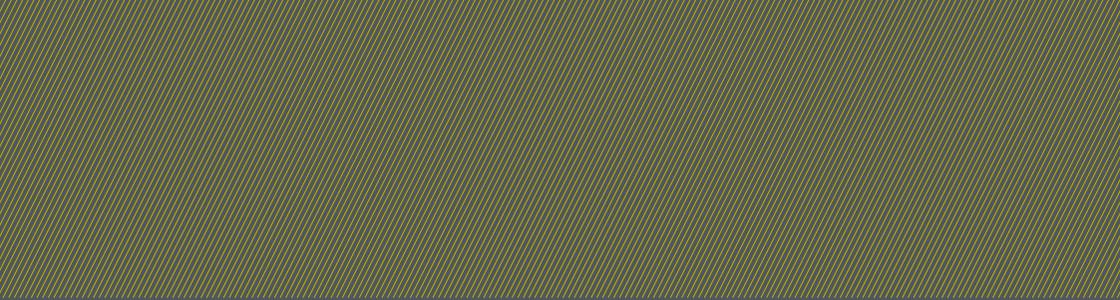
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INTERIM REPORT 2003

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



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EURASIA MINING PLC