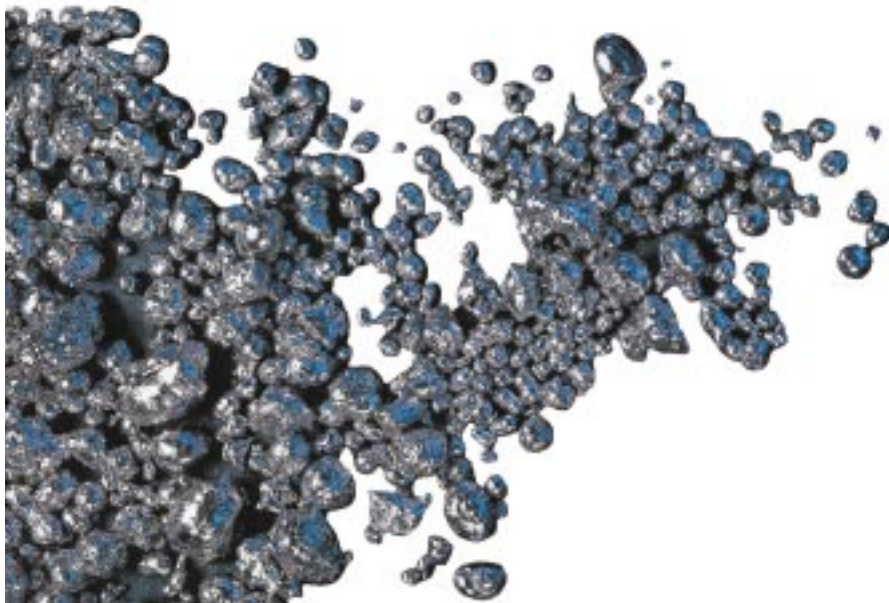


EURASIA MINING PLC

Interim Report
2000



Chairman's Statement

Dear Shareholders

We have achieved considerable progress this year.

Following the successful £2 million fundraising in Spring, the Company has implemented the work programme in its stated current year business plan, optimising the summer months reconnaissance field work and undertaking specific exploration and assessment on its three Platinum Group Metal projects.

Baronskoye

At **Baronskoye Central** the operational objective remains the definition of ore reserves sufficient to underpin the rapid development of an initial small scale mining operation.

The Company is planning to commence additional drilling here in mid-November and this programme will include several holes designed to test, for the first time, deeper extensions of the palladium-gold anomalous zone. These activities will be influenced by the soon to be completed full assessment of earlier drill results.

The initial drilling programme was completed in late September for a total advance of 1948 metres with average hole depths of 75 metres. While the drilling programme achieved good progress some delays have occurred in the results assessment process (including preparation, customs clearance, transport and assaying).

Visual interpretation of the core indicates an overall continuation of the interpreted palladium-gold zone beneath the soil surface geochemical anomaly.

Results of the core assayed to date reflect the deleterious impact of a high degree of faulting affecting the interpreted palladium-gold zone in

the vicinity of the anomalous zone. The results so far indicate that closer space drilling may be required to fully assess the near surface potential of the anomalous zone.

At **Kluevky**, located within the Baronskoye licence area and approximately 2.3 km south of Baronskoye Central, the initial two hole programme has been completed targeting a second palladium-gold zone located as a result of reconnaissance soil sampling carried out late in 1999. A more intense drilling campaign, based on the outcomes of these holes as well as the results of a 1000 sample soil geochemistry programme carried out over the anomaly, testing a potential strike length of 1.5 km, is under review.

At **Baranchinsky**, the company's exploration licence application covering Baronskoye like mafic and ultramafic rocks immediately adjacent to the Baronskoye licence area has been lodged for approval by Geolcom and the local administration. The area of coverage is 330 sq km.

The application represents an expansion of the Company's interest in the Baronskoye area, enabling it to optimise its strategic position and create further scope for long term expansion and development.

Field work at Baranchinsky will commence in Spring 2001.

Soloviev Hill/Vissim

Drilling operations are currently in progress in the Soloviev Hill area. The objective of this phase of drilling is to explore for mineable ore reserves by shallow holes at Alexandrinskoye and Alexandrinskoye South. Deeper drilling is planned later at Krutoi Log.

The layered dunite ultramafic complex at Soloviev Hill is established as the source of platinum in the high grade placer fields of the



surrounding Vissim District that yielded in excess of 160 tonnes of platinum from mining during the 19th century. Several bonanza grade hard rock occurrences were also mined at Soloviev Hill.

The mineralisation comprises coarse-grained ferro-platinum with chromite which due to its coarse grain size makes platinum recovery amenable to both gravity and magnetic methods. This characteristic lends itself to low capital and operating costs.

Eurasia's work at Soloviev Hill has to date consisted of surface mapping and sampling, magnetometer surveys and drilling. This work has identified a prospective bulk mineable, low-grade platinum resource at Alexandrinskoye in the south of the Production Licence area. A potential new ore zone has been identified 300 metres to the south of Alexandrinskoye, (composite sample grade from outcrop sampling 6.13g/t platinum). Drilling has also intersected extensions to the Winze M-441 Chromite Pipe, at Krutoi Log (1.0 metre @ 23.8g/t platinum).

There are several other drill targets within the licence areas that are under review.

Alluvial and Tailings

From a standing start some 12 months ago, the Joint Venture funded by Amplats (the world's largest platinum producer) has successfully developed conceptual exploration models for large commercial platinum occurrences in the Central Urals Platinum Belt.

This has been largely achieved by a comprehensive search and evaluation of historical exploration and production information held by numerous sources throughout the region. Despite historic production in excess of 14 million ounces of platinum in the Central Urals, this project is the first of its type using modern western methodology.

Considerable progress has been achieved and the next stage is currently under review.

Outlook

Following a successful summer field season and against a background of continued strong demand for Platinum Group Metals and improving conditions in and perceptions of Russia, the outlook for the Company remains positive and its strategy to develop into a substantial Platinum Group Metals producer remains firmly on track.

J A Mitchell
Chairman

30 October 2000



Consolidated Balance Sheet*As at 30 June 2000*

| | 30 June 2000 (unaudited) £ | 31 December 1999 (audited) £ |
|--|-------------------------------------|---------------------------------------|
| Fixed assets | | |
| Intangible – Exploration, development and production interests | 1,649,706 | 1,649,706 |
| Tangible – Exploration, development and production interests | 4,013,038 | 3,694,368 |
| Tangible – Other | 338,456 | 275,870 |
| Investments | 65,972 | 61,762 |
| Total fixed assets | 6,067,172 | 5,681,706 |
| Current assets | | |
| Debtors | 97,734 | 61,959 |
| Cash at bank | 1,146,491 | 21,710 |
| Total current assets | 1,244,225 | 83,669 |
| Creditors – amounts falling due within one year | | |
| Other Creditors | 153,058 | 205,551 |
| Convertible Loan Stock | 938,594 | 2,477,455 |
| Accruals | 222,636 | 326,709 |
| | 1,314,288 | 3,009,715 |
| Net current liabilities | (70,063) | (2,926,046) |
| Total assets less current liabilities | 5,997,109 | 2,755,660 |
| Capital and reserves | | |
| Called-up share capital | 4,931,848 | 4,167,556 |
| Share premium | 5,792,289 | 3,246,336 |
| Reserves | (4,748,682) | (4,679,027) |
| Equity shareholders' funds | 5,975,455 | 2,734,865 |
| Minority interests | 21,654 | 20,795 |
| | 5,997,109 | 2,755,660 |

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 calculation of loss per share has been based on the retained loss after taxation for the period and on a weighted average of 18,180,199 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 1999.
- 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 1999 Statutory Accounts has been filed with the Registrar of Companies. The auditor's opinion on these Statutory Accounts was unqualified, but drew attention to the fundamental uncertainty as to the adequacy and availability of the Group's funding and ability to continue as a going concern.
- 6 The Interim Report for the six months to 30 June 2000 was approved by the Directors on 30 October 2000.



Consolidated Profit and Loss Account

For the six month period ended 30 June 2000

| | 6 month period to 30 June 2000 (unaudited) £ | 6 month period to 30 June 1999 (unaudited) £ | 12 month period to 31 December 1999 (audited) £ |
|--|---|---|--|
| Administrative expenses | (248,756) | (317,364) | (741,254) |
| Other operating income | – | – | – |
| Loss from continuing activities before interest | (248,756) | (317,364) | (741,254) |
| Profit on partial disposal of a subsidiary | – | – | 70,835 |
| Interest receivable & similar items | 7,932 | 799 | 1,945 |
| Interest payable | (396) | (1,796) | (2,364) |
| Foreign Exchange Gain | 215,478 | 201,661 | 88,168 |
| Loss from continuing activities before taxation | (25,742) | (116,700) | (582,670) |
| Taxation | – | – | – |
| Loss on continuing activities after taxation | (25,742) | (116,700) | (582,670) |
| Minority Interests – equity | 523 | 652 | (20,451) |
| Retained loss for the period | (25,219) | (116,048) | (603,121) |
| Loss per share | (0.14)p | (1.46)p | (6.01)p |

Consolidated Statement of Total Recognised Gains and Losses

For the six month period ended 30 June 2000

| | 6 month period to 30 June 2000 (unaudited) £ | 12 month period to 31 December 1999 (audited) £ |
|---|---|--|
| Loss for the period | (25,219) | (603,121) |
| Exchange adjustments on foreign currency net investments | (44,436) | (54,724) |
| Total recognised gains and losses for the financial period | (69,655) | (657,845) |



Company Information

Directors

| | |
|----------------|--------------------------|
| J A Mitchell | (Non executive Chairman) |
| A H Counsell | (Managing Director) |
| R J G Jenkins | (Finance Director) |
| G C FitzGerald | (Non executive Director) |
| M V St Giles | (Non executive Director) |

Secretary

R J G Jenkins

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Facsimile 7 3432 615924

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Stockbrokers

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