COMPANY No. 3010091

Annual Report & Accounts 2006

FRIDAY

AVPGRRE6

A35 20/07/2007 449

COMPANIES HOUSE

EURASIA MINING PLC

3 Chairman's Statement
4 Operations Report
11 Directors' Biographies
12 Report of the Directors
15 Report of the Independent Auditor
16 Financial Statements
21 Notes to the Financial Statements
34 Notice of Annual General Meeting
35 Form of Proxy
Company Information

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

2006 Highlights

Kola Peninsula Projects

- Three exploration licences acquired in the Kola Peninsula
- Discoveries of platinum mineralisation of potentially economic grade in two areas
- Anglo Platinum funding $3m worth of exploration work in 2007

Gold Exploration

- Five licences applied for in eastern Siberia
- Work with potential Russian partners to acquire exploration properties

Urals Projects

- First West Kytlim production planned on receipt of permits
- Pit sampling grades up to 1,500mg/m^3
- Other resources defined
- Anglo Platinum funding $1m worth of exploration work in 2007

Chairman's Statement

This year it is my pleasure to report that your Company has made major progress both on its platinum and its gold projects

On the platinum front we completed the acquisition of three exploration licences on the Kola Peninsula in NW Russia where Barrick and Puma have both outlined important resources on which they are currently completing feasibility studies with a view to initiating production Through our joint venture with Anglo Platinum, we immediately initiated drilling Early in 2007 we reported that through this drilling we have already made discoveries of platinum mineralisation of potentially economic grade on two of these three areas This is a remarkably fast and unusually high success rate and we await the results of the follow-up work to be conducted this year Anglo Platinum has agreed to fund the US$3 million programme for 2007 to define the size of these potentially important resources This expenditure forms part of their commitment to spend $10 million to earn an initial 40% in the Kola projects

In the Urals, also covered by the joint venture with Anglo Platinum, your Company's drilling has provided the basis for achieving near term production at the West Kytlim project The key items on our agenda here are to obtain approval from the Russian authorities for our reserves and for the production plan and from this to obtain a mining licence Whilst we receive every co-operation from the Russian authorities and are grateful for this, the precise timing is not in our hands We have the authority for bulk sampling and can usefully use the time to test and improve our equipment, to work with our Russian partner Artel Yuzhno-Zaoersky Priisk, to plan a power supply and equipment utilisation and also to expand the reserves through continued exploration along the previously untested river terraces

On the gold side, your Company has continued with the programme that it initiated through a joint venture with AngloGold Limited Whilst we regretted their departure to pursue an alliance with the Russian gold producer Polymetal, we greatly benefitted from the US$1 million that they contributed to fund our data compilation and field studies We have recently applied for a number of licences in areas that we believe to be highly prospective for gold Competition for areas, even at the exploration stage, is becoming intense so we are also working with Russian partners to look to jointly acquire both advanced properties with identified reserves or resources and key exploration properties

In summary, the Directors of your Company believe Eurasia has made excellent progress in 2006, which continues in 2007 We are confident that the continuing success on the technical side will be reflected in the enhancement of value in the company The support of Anglo Platinum in our platinum projects has been a key to our survival and to our recent successes and is gratefully acknowledged

It remains for me to thank our hard working staff, particularly those in Russia who, excepting our tireless manager Bill Anderson, are almost exclusively Russian, for their efforts and to congratulate them on their successes Without their efforts your Company would be nothing, with them I believe that Eurasia has a great future

Dr Michael Martineau
Chairman

Operations Report

Kola projects

We selected our three licence areas in the Monchegorsk region of the Kola Peninsula on the basis of the presence of rocks containing platinum values in excess of 1 gram/tonne The mineralisation is characteristic of a recently defined new class of PGM (platinum group metals) deposit known as low sulphide, contact-related and breccia-hosted type The similarity in the geological setting and style of mineralisation at Monchetundra to that developed in the Finnish deposits is striking, especially that developed in the Portimo Complex Also, there are some similarities with 'Platreef' rocks seen in the Bushveld complex of South Africa

The Kola region has a long history of mining and metal refining, principally of nickel and copper with PGM as a by-product, but PGM exploration has only been carried out since the mid 1990s

Monchetundra
The Monchetundra licence covers an area of 36 2 km^2 and is situated immediately to the west of the town of Monchegorsk Much of the licence area is covered by glacial till which hides the geology

Three mineralised zones are recognised within the project area, two of which have been prioritised for exploration, namely zones 2 and 3

Zone 2 comprises a sequence of ultramafic rocks, the highest-grade intersection in the zone is 8 4 grams/tonne (g/t) PGM over 3 6m with a Palladium (Pd) Platinum (Pt) ratio of 2 1 (Hole UM-3) The highest single grades obtained by fire assay in this intersection included 26g/t Pd and 12g/t Pt over 0 4m

Zone 3 is characterised by frequent interlayering of ultramafic rocks of varying grain-size, anomalous PGM values are generally associated with sulphide disseminations Thickness of the zone is up to 70m, with PGM values ranging from 0 1 to 19 6 g/t Intersections define at least two separate PGM bearing horizons which have been traced for more than 1 kilometre to date and remain open both at depth and along strike In view of the broad widths, apparent continuity and low sulphide content the Joint Venture is targeting open pit resources with concentration by flotation to produce a marketable high grade concentrate

Drill results received to date include the following intercepts

Hole No	Interval (m)	Pt+Pd (g/t)	Pd Pt ratio
MT-14	11 3	2 93	1 3
MT-13	1 2	5 8	1 4
MT-12	21 1	1 06	1 6
UM-9	21 3	1 92	1 4
MT-15	6 0	1 12	2 3
MT-6	18 0	1 66	2 4
MT-11	6 9	2 40	1 8
MT-11	11 1	2 54	1 7
UM-7	6 7	1 81	1 9
UM-39	5 5	1 37	2 2
MT-17	13 1	1 9	1 9

A programme of 4,500m of diamond drilling is planned for 2007, including a combination of reconnaissance traverses along strike to the southeast and northwest of the main Loypishnyun target, as well as some infill drilling within the main target to help define the limits and continuity of the mineralisation discovered to date

Volchetundra

The Volchetundra licence area, which covers approximately 210km², lies to the northwest of Monchegorsk town

The host mafic intrusion is some 40km long and varies in width from 1-4km The principal target for PGM is a 20-300 m wide sulphide bearing (approximately 2%), Marginal Zone which runs along the eastern contact of the massif Work carried out in 2006 included mapping and trenching at Nickel Creek, Yukspor and Kutskol, and deep geochemical sampling at the Somnitelny site and drilling at the Olche and Kutskol locations

Wide zones of PGM mineralisation were first discovered in Drill-hole VT-17 located in the northern part of the licence area during the 2006 programme The hole intersected three zones of mineralisation The shallowest extends from 68 35 to 112 95 metres (44 6m at an average grade of 1 7 g/t Pt+Pd, within this interval, 27 55m averaged 2 2g/t) The Pd Pt ratio varies from 1 5 to 3 1

A second intersection extends from 144 9 to 163 4m (18 5 metres at 1 9 g/t Pt+Pd, including 4 4m at 3 6g/t Pt+Pd and 7 3 m grading 2 6 g/t) The ratio of Pd Pt varies from 0 3-1 1 1

A third zone of interest was located at 170 2m, with a 1m section assaying 11g/t Pt+Pd The ratio Pd Pt is 0 8 1

Systematic drilling in the vicinity of VT-17 will be prioritised in 2007 Mapping, trenching and drilling will also continue along the untested remaining 27km of the Marginal Zone with emphasis on the Yukspor and Olche areas

West Imandra

The West Imandra licence covers an area of 229km² situated to the S-SW of Monchegorsk, adjacent to the Murmansk to St Petersburg highway, it covers the westerly strike extensions of the Imandra layered intrusion which has been broken by faulting into the Ostrovskoy, Yalgeny and Mayavr-Devichya Massifs

In 2006 the exploration which included mapping, trenching, drilling, till geochemistry and magnetic surveys was focused on the Mayavr-Devichya Massif Trench sampling of the Upper Zone returned values of 1g/t Pt+Pd over 4m Drilling in 2007 will test this zone as well as the un-explored lower contact of the Ostrovsky Massif

Urals

West Kytlim

Ore reserve delineation drilling (Russian category C2) continued throughout 2006 on the 171km² licence area at West Kytlim West Kytlim is located in the Central Urals, a region which has yielded some 500 tonnes (16 million ounces), of alluvial platinum since production first commenced in 1824 The Kytlim district itself has produced approximately 50 tonnes (1 6 million ounces) to date

Alluvial mining has always been a significant component of the mining industry in Russia, with currently over forty operators in gold and less than six in platinum Approximately 120,000 ounces of platinum was produced from alluvial mining in 2006, while alluvial gold production was estimated at 2 million ounces during the same period Processing of alluvial sediment is simple in principle, usually based on gravity separation by washing and production of a heavy minerals concentrate which is sold directly to refineries, payment is based on the recovered metal The simplicity of ore processing generally contributes to very low unit capital and operating costs

As was reported in April 2006, the Joint Venture has discovered previously unworked alluvial platinum occurrences, as well as extensions of previously worked deposits and associated tailings deposits which can be reworked to recover residual platinum

To expedite production it has been necessary to complete sufficient drilling and trenching work on close spaced traverses matching the requirements for ore reserve approval under Russian regulations as the basis to apply for reissue of the entire licence area as a comprehensive mining licence This detailed work has been focused on the Bolshaya Sosnovka area which hosts a combination of new discovery buried placers as well as extensions of known shallow placers and tailings The area selected for detailed ore reserve assessment measures approximately 2000m x 200m width with potential to contain between 500 and 1000kg platinum

Work during 2006 progressed well, with 194 holes completed totalling 2,220 metres of drilling this was by far the most productive period in the history of the Joint Venture Detailed reserve delineation drilling will be completed in early 2007 after which a reserve report will be prepared and lodged for approval by the relevant authorities The Joint Venture is aiming to commence pilot production in 2007 however this is dependent on obtaining all the necessary federal and local government permits in a timely way

Bulk sample processing through the Joint Venture test plant, conducted in parallel with detailed drilling during 2006, indicates that double deck sluicing would provide a satisfactory processing method for near surface placers at Bolshoya Sosnovka The tests indicated the grain size of more than 80% of the contained platinum exceeded 0 25mm and up to 90% of it was recovered by two stages of sluicing This plant is designed to simulate the recoveries of a full-scale operation Bulk testing of deeper placer material is continuing

We are continuing with feasibility studies into how best to implement the project Issues currently under consideration include the use of mining plant owned by our local partner, investment in a new washing plant and project finance options

Detailed close spaced ore reserve delineation is now in progress on the Tylai terraces to the south of the Bolshaya Sosnovka area, numerous additional target areas within the licence area have yet to be assessed

The Joint Venture is also actively seeking new alluvial and hard rock platinum opportunities in the Urals

Other Urals Projects

Eurasia continues to work on its own account at the 75% owned Baronskoye project where the company discovered Palladium-Gold mineralisation in 2001 Testing of metallurgical options for an area that may have potential as a small open pit project has been deferred till 2007 due to a requirement for summer access to obtain sufficiently representative sample material

Gold Exploration

The company has remained a participant in the application process for five licences in the highly prospective Trans Baikalian Region of Eastern Siberia The prospects were identified prior to and during the alliance with Anglo Gold Ashanti This alliance was terminated in 2006, after expenditure by Anglo Gold Ashanti of approximately $1 million, due to a possible conflict of interest after they formed a new Russia wide venture with the country's second largest gold producer Polymetal

Three of the five areas have been listed for licencing in mid 2007 Our objective is participation in the rapid advancement of a number of projects towards feasibility study on our own account or with partners The company also continues 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 We continue to work with several potential Russian partners to jointly acquire advanced gold development and exploration properties

C Schaffalitzky
Managing Director

Directors' Biographies

MICHAEL MARTINEAU
MA, D Phil, FIMMM, age 62, is Non-Executive 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 listed on the Toronto Stock Exchange in 1996 and which was acquired by Ashanti Goldfields in 1998 He is currently President and Deputy Chairman of Axmin Inc and a Director of Golden Star Resources Limited

CHRISTIAN SCHAFFALITZKY
BA(Mod), FIMMM, PGeo, CEng, age 53, is Managing Director With over 30 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 More 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 He is an independent director on the boards of two Russian companies, Raspadskaya Coal Company and Chelyabinsk Zinc Plant and is a director of the Irish oil and gas company Petroceltic International plc

GARY FITZGERALD
age 53 is a Non-Executive Director He was previously a Director of Framlington Investment Management Limited and has over 30 years experience in investment management He has diverse experience of emerging markets including the launch 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 2006 and the Balance Sheets as at 31 December 2006 are set out on pages 16 to 18

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 and Operations Report

Directors

The Directors who served during the period were

M P Martineau
C Schaffalitzky
J A Mitchell *(deceased 20 January 2006)*
G C FitzGerald

Directors' Interests

Share Interests

The Directors who held office at 31 December 2006 held the following beneficial interests (including interests held by spouses and minor children) in the ordinary shares of the Company

	31 Dec 2006 No of Shares	1 Jan 2006 No of Shares
G C FitzGerald	1,246,295	1 197 857
M P Martineau	936 092	915,928
C Schaffalitzky	1,886,866	1 838 428
Total	4,069,253	3 952 213

Share options

The Directors 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 2006 No of Shares	1 Jan 2006 No of Shares
G C FitzGerald	225,000	225 000
M P Martineau	700 000	700 000
C Schaffalitzky	1,200 000	1,200 000
Total	2 125,000	2 125 000

Warrant Interests

The Directors who held office at 31 December 2006 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 2006 No of Shares	1 Jan 2006 No of Shares
G C FitzGerald	1,000,000	35 714
M P Martineau	1 000 000	17,857
C Schaffalitzky	1 000,000	67,857
Total	3 000 000	121,428

Unsecured 8% Convertible Loan Notes and Warrants

The Directors who held office at 31 December 2006 held the following beneficial interests (including interests held by spouses and minor children) in 8% convertible loan notes (2005 holding nil)

	Convertible Loan Note Value	Equivalent No of Shares
G C FitzGerald	£50 000	1,000,000
M P Martineau	£50,000	1 000 000
C Schaffalitzky	£50 000	1,000,000
Total	£150,000	3 000,000

Share Capital

The authorised share capital of the Company at 31 December 2006 was £25,000,000 divided into 500,000,000 Ordinary Shares of 5 pence each ("Shares'), and 50,000 Preference shares of £1 each ("Preference Shares")

Section 89 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 July 2006, the Board was given authority to allot equity securities for cash up to an aggregate nominal amount of £5,000,000, 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 of up to a nominal amount of £5,000,000 pursuant to

(i) 30 August 2006 – issue of 17,627,350 "Shares' by way of placing, and

(ii) 12 December 2006 – issue of 117,040 'Shares"of in lieu of interest due from the Company to holders of Unsecured Convertible Redeemable Loan Notes

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 £5,000,000

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 £5,000,000

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 Company's share price varied between 3 pence and 10 pence during the year At 30 December 2006 the mid-market price was 3 38 pence

Substantial Share Interests
The Company had been notified of the following interests in Shares held as at 14 June 2007

	Ordinary Shares	%
Firebird Management LLC	15,477 143	10 99
J P Morgan Asset Management	12 190 222	8 65
R B Rowan	8 569,000	6 08
Audley Properties Limited	8 000 000	5 68
Ferrier Lullin & Cie SA	6 000 000	4 26
Nesbitt Burne Inc	4,000 000	2 84
Raffles Associates LP	4 000 000	2 84
El Oro and Exploration Company Plc	3 879,286	2 75

Statement of Directors' Responsibilities
The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the Directors to prepare financial statements for each financial year Under that law the Directors have elected to prepare financial statements in accordance with UK Accounting Standards (United Kingdom Generally Accepted Accounting Practice) The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period In preparing these financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently
- make judgments and estimates that are reasonable and prudent
- state whether applicable UK 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 company will continue in business

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 1985 They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

In so far as the Directors are aware

- there is no relevant audit information of which the Company's Auditors are unaware, and
- the Directors have taken all steps that they ought to have taken as Directors to make themselves aware of any relevant audit information and to establish that the Auditors are aware of that information

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

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 1 January 2006 to the date of this report

Audit Committee
The Chairman of the Audit Committee is Gary FitzGerald 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, Michael Martineau 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 Michael Martineau The committee comprises two non-executive Directors, Michael Martineau 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 No options were granted to employees during the year (2005 500,000)

Dividends and Profit Retention
No dividend is proposed in respect of the year (2005 £nil) and the retained loss for the year of £989,522 (2005 £1,441,745) 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
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

Financial Instruments
Details of the financial risk management objectives and policies of the group and the exposure of the group to currency risk and liquidity risk are set out in note 15 to the financial statements

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

28 June 2007

Report of the Independent Auditor

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

We have audited the group and parent company financial statements (the "financial statements") of Eurasia Mining plc for the year ended 31 December 2006 which comprise the group profit and loss account, the group and company balance sheets, the group cash flow statement, the group statement of total recognised gains and losses 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 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' responsibilities for preparing the Annual Report and the financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 International Standards on Auditing (UK and Ireland)

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements The information given in the Directors' Report includes that specific information presented in the Operations Report that is cross referred from the Directors' Report

In addition we report to you if, in our opinion, 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 other transactions 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 Directors' Report, the Chairman's Statement and the Operations Report 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 audit opinion
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and company'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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and the parent company's affairs as at 31 December 2006 and of the group's loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

Grant Thornton UK LLP

GRANT THORNTON UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS

London
28 June 2007

Consolidated Profit and Loss Account

For the year ended 31 December 2006

	Notes	2006 £	2005 £
Impairment of assets	10(a)	**(29,129)**	(156,925)
Other administrative expenses	5	**(649,810)**	(933,374)
Administrative expenses and operating loss		**(678,939)**	(1,090,299)
Share of operating loss in joint venture		**(98,017)**	(477,602)
Total operating loss group and share of joint ventures		**(776,956)**	(1,567,901)
Interest receivable and similar items	7	**22,715**	127,849
Interest payable and similar items	7	**(262,255)**	-
Loss on ordinary activities before taxation		**(1,016,496)**	(1,440,052)
Taxation	8	-	-
Loss on ordinary activities after taxation		**(1,016,496)**	(1,440,052)
Minority interest	18	**26,974**	(1,693)
Loss for the financial year		**(989,522)**	(1,441,745)
Loss per share (basic and diluted)	9	**(0 81)p**	(1 43)p

All the operations of the group are classed as continuing

Consolidated Balance Sheet

At 31 December 2006

	Notes	2006	2005
Fixed assets		**£**	£
Intangible – exploration, development and production interests	10 (a)	**859,613**	1 280 810
Tangible	10 (a)	**33,601**	41,172
Investments			
Interest in joint venture			
Share of gross assets	10 (b)	**2,126,251**	502,855
Share of gross liabilities	10 (b)	**(1,230,941)**	(305,445)
		895,310	197,410
Other investments	10 (c)	**324,871**	146
Total fixed assets		**2,113,395**	1,519,538
Current assets			
Debtors	11	**217,685**	202 410
Cash at bank		**1,130,981**	198,201
Total current assets		**1,348,666**	400,611
Creditors – amounts falling due within one year	12	**(556,426)**	(213,019)
Net current assets		**792,240**	187,592
Total assets less current liabilities		**2,905,635**	1,707,130
Creditors – amounts falling due after more than one year	13	**(499,998)**	(93,251)
Net assets		**2,405,637**	1 613 879
Capital and reserves			
Called-up share capital	16	**7,042,805**	5,188,086
Share premium account	17	**7,020,549**	7,034,374
Other reserves	17	**49,167**	-
Capital redemption reserve	17	**3,539,906**	3,539,906
Profit and loss account	17	**(15,191,856)**	(14,114,787)
Equity shareholders' funds		**2,460,571**	1,647,579
Minority interest	18	**(54,934)**	(33,700)
		2,405,637	1 613,879

The financial statements were approved by the Board on 28 June 2007 and signed on their behalf by

C Schaffalitzky
Director

Company Balance Sheet

At 31 December 2006

	Notes	2006	2005
		£	£
Intangible – exploration, development and production interests	10 (a)	-	353,873
Tangible	10 (a)	**1,892**	3,173
Investments	10 (c)	**1,239,622**	218,609
Total fixed assets		**1,241,514**	575,655
Current assets			
Debtors	11	**1,231,423**	1,167,656
Cash at bank		**1,129,694**	198 055
Total current assets		**2,361,117**	1,365,711
Creditors – amounts falling due within one year	12	**(663,498)**	(318,410)
Net current assets		**1,697,619**	1,047,301
Total assets less current liabilities		**2,939,133**	1,622,956
Creditors – amounts falling due after more than one year	13	**(418,090)**	-
Net assets		**2,521,043**	1,622,956
Capital and reserves			
Called-up share capital	16	**7,042,805**	5,188,086
Share premium account	17	**7,020,549**	7,034,374
Other reserves	17	**49,167**	-
Capital redemption reserve	17	**3,539,906**	3,539,906
Profit and loss account	17	**(15,131,384)**	(14,139,410)
Equity shareholders' funds		**2,521,043**	1,622 956

The financial statements were approved by the Board on 28 June 2007 and signed on their behalf by

C Schaffalitzky
Director

Consolidated Cash Flow Statement

For the year ended 31 December 2006

	Notes	2006 £	2005 £
Net cash outflow from operating activities	19 (a)	**(315,265)**	(902,244)
Returns on investments and servicing of finance	19 (b)	**(17,807)**	6,257
Capital expenditure and financial investment	19 (c)	**(419,901)**	132,901
Net cash outflow before financing		**(752,973)**	(763,086)
Financing	19 (d)	**1,722,542**	871,500
Increase in cash in the period		**969,569**	108 414
Reconciliation of net cash flow to movement in net funds	19 (e)		
Increase in cash in the period		**969,569**	108,414
Translation difference		**(36,789)**	6,625
Movement in net funds in the period		**932,780**	115,039
Net funds at 1 January		**198,201**	83,162
Net funds at 31 December		**1,130,981**	198,201

Other primary statements

For the year ended 31 December 2006

Consolidated statement of total recognised gains and losses

For the year ended 31 December 2006

	2006	2005
	£	£
Loss for the financial year	(989,522)	(1,441,745)
Exchange gains on foreign currency net investments – Group	9,453	37,675
Exchange gains on foreign currency net investments – Joint Venture	8,601	-
Other recognised losses – Joint Venture	(105,601)	-
Total recognised gains and losses for the financial year	(1,077,069)	(1,404,070)

Reconciliation of movements in shareholders' funds

For the year ended 31 December 2006

	2006	2005
	£	£
Total recognised gains and losses for the financial year	(1,077,069)	(1,404,070)
New share capital issued	1,840,894	871,500
Convertible loan notes issued – equity component	49,167	-
Net addition to / (reduction in) shareholders' funds	812,992	(532,570)
Opening shareholders' funds	1,647,579	2,180,149
Closing shareholders' funds	2,460,571	1,647,579

Notes to the Financial Statements

For the year ended 31 December 2006

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 UK accounting standards (United Kingdom generally accepted accounting practice) The principal accounting policies of the Group are set out below

These financial statements are prepared on a going concern basis, notwithstanding the loss for the year to 31 December 2006 of £989,522 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 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, 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 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 2006 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

Joint ventures

The Group financial statements incorporate joint ventures under the gross equity method of accounting supplemented by additional disclosures Under the gross equity method, investments in joint ventures are carried in the consolidated balance sheet at the Group's share of their net assets, and the Group's share of the joint venture's results is included within the consolidated profit and loss account

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

Notes to the Financial Statements

For the year ended 31 December 2006

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 liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities

Where the contractual liabilities of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities, and are presented as such in the balance sheet Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account Finance costs are calculated so as to produce a constant rate of return on the outstanding liability

Where the contractual terms of share capital do not have any features meeting the definition of a financial liability then such capital is classed as an equity instrument Dividends and distributions relating to equity instruments are debited direct to equity

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

Compound financial instruments
Compound financial instruments comprise both liability and equity components At issue date, the fair value of the liability component is estimated by discounting its future cash flows at an interest rate that would have been payable on a similar debt instrument without any equity conversion option The liability component is accounted for as a financial liability

The difference between the net issue proceeds and the liability component, at the time of issue, is the residual or equity component, which is accounted for as an equity instrument

Transaction costs that relate to the issue of a compound financial instrument are allocated to the liability and equity components of the instrument in proportion to the allocation of the proceeds

The interest expense on the liability component is calculated by applying the effective interest rate for the liability component of the instrument The difference between any repayments and the interest expense is deducted from the carrying amount of the liability

Share based payments
The Company has adopted FRS 20 but as all share options vested prior to the implementation date there is no effect on the current or prior year financial statements

2 Operating environment and risks

The Group'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 Group'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

All the Group's activities are related to the exploration for and development of platinum group metals, gold and other minerals in Russia The Directors therefore believe that there is only that single class of business and geographic segment

Notes to the Financial Statements

For the year ended 31 December 2006

4 Employees

	2006	2005
	£	£
Staff costs		
Salaries and wages	**623,559**	455,299
Social security costs	**62,639**	41 037
	686,198	496,336

The average number of persons employed by the Group was as follows

	Number	Number
Operations	**48**	28
Administration	**9**	6
	57	34

5 Administrative expenses

	2006	2005
	£	£
These include		
Depreciation of tangible fixed assets	**6,413**	5 413
Fees payable to the company's auditors, Grant Thornton UK LLP		
- for audit of the companys annual accounts	**19,000**	18,000
- other services	**1,000**	-

6 Directors' emoluments

	2006	2005
	£	£
Directors' emoluments	**113,825**	159,932

The highest paid Director received remuneration of £76,258 (2005 £70,008)

Notes to the Financial Statements

For the year ended 31 December 2006

7 Net interest (payable)/receivable and similar items

	2006	2005
	£	£
Interest on 8% convertible loan stock	(66,071)	-
Amortisation of convertible loan stock issue costs	(22,561)	-
Foreign exchange loss	(173,623)	-
Total interest and similar charges payable	(262,255)	-
Interest receivable	22,715	6,257
Foreign exchange gain	-	121,592
Total interest and similar items receivable	22,715	127,849
Net interest (payable) / receivable and similar items	(239,540)	127,849

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

	2006	2005
Current tax reconciliation	£000	£000
Loss on ordinary activities before tax	(962)	(1,440)
Current tax at 30% (2005 30%)	(289)	(432)
Effects of		
Tax losses carried forward	151	274
Depreciation and impairment charges greater than capital allowances	-	47
Expenses not deductible for tax purposes	138	111
Current tax charge	-	-

There was no tax payable for the year ended 31 December 2006 (2005 £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 These losses may affect the future tax position by way of offset against profits as and when mining projects reach a development stage

9 Loss per share

Loss per share is calculated by reference to the loss for the year of £989,522 (2005 £1,441,745) and the weighted average number of shares in issue during the year of 122,848,396 (2005 100,644,594) There is no dilutive effect of share options or warrants

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 2006	1,280,810	139,576	353,873	45,595
Additions	49 116	3,215	-	1,032
Disposals	(324,744)	(1,106)	(324,744)	(1,106)
Impairment charge	(29,129)	-	(29 129)	-
Exchange	(116,440)	(11,432)	-	-
At 31 December 2006	859,613	130,253	-	45,521
Depreciation				
As at 1 January 2006	-	98,404	-	42,422
Disposals	-	(1,106)	-	(1 106)
Depreciation charge	-	6,413	-	2,313
Exchange	-	(7,059)	-	-
At 31 December 2006	-	96,652	-	43,629
Net book value				
At 31 December 2006	859,613	33,601	-	1,892
At 31 December 2005	1,280,210	41,172	353,873	3,173

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 The disposal of £324,744, stated above, represents a re-allocation to the cost of the Company's new investments in a 20% shareholding of Yuksporskaya Mining Company and Terskaya Mining Company, which Companies now hold the exploration rights in the areas in which this expenditure was incurred The impairment charge of £29,129 follows the termination of the Company's joint venture with AngloGold Ashanti

Notes to the Financial Statements

For the year ended 31 December 2006

(b) Investment In Joint Venture

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

The Group's joint venture partner is Anglo Platinum Limited Changes in the value of the Group's interest during 2006 were as follows

	2006	2005
	£	£
Net assets at 1 January	**197,410**	628,280
Additional assets contributed	**787,316**	-
Foreign exchange revaluation	**8,601**	46,732
Group's share of losses	**(98,017)**	(477,602)
Net assets at 31 December	**895,310**	197,410

The additional assets contribution represents the Group's share of UAP's acquisition cost of 80% shareholdings in Yuksporskaya Mining Company and Terskaya Mining Company

The following amounts represent the Group's share of the joint venture

Turnover	-	-
Loss before and after tax	**(43,413)**	(477,602)
Deferred exploration and evaluation expenditure	**1,774,124**	449,265
Fixed assets	**32,374**	24,817
Current assets	**319,753**	28,773
Gross assets	**2,126,251**	502,855
Liabilities due within one year	**(20,637)**	(19,533)
Liabilities due after more than one year	**(1,210,304)**	(285,912)
Net assets	**895,310**	197,410

(c) Investments – other	Group	Company
	£	£
Cost		
As at 1 January 2006	146	218,609
Additions	324,744	324,744
Exchange	(19)	-
Increase in value of intra-group indebtedness	-	696,269
At 31 December 2006	324,871	1,239,622

The £324,744 addition represents the Company's acquisition of 20% shareholdings in each of Yuksporskaya Mining Company and Terskaya Mining Company This cost/valuation has been re-allocated from previously recorded deferred expenditure (note 10(a))

Included in the Company figures above is £914,751 (2005 £218,463) representing investment in subsidiaries

Notes to the Financial Statements

For the year ended 31 December 2006

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
ZAO Yuksporskaya Mining Company	Russia	Mineral Evaluation & Production	Russia	20% Ordinary
ZAO Terskaya Mining Company	Russia	Mineral Evaluation & Production	Russia	20% Ordinary
ZAO Zabaikal	Russia	Mineral Evaluation & Production	Russia	100% 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 ZAO Baranskoye Mining 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

Notes to the Financial Statements

For the year ended 31 December 2006

11 Debtors	Group	Group	Company	Company
	2006	2005	**2006**	2005
	£	£	**£**	£
Amount due from subsidiary undertaking	**-**	-	**1,083,991**	1,033,647
Nkwe Platinum Limited	**133,451**	120 937	**65,951**	53,437
Other debtors	**76,129**	74,199	**73,376**	73,298
Prepayments	**8,105**	7,274	**8,105**	7,274
	217,685	202,410	**1,231,423**	1,167,656

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

The Nkwe Platinum debtor of £133,451 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 awaiting 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 £65,951 in the form of 210,000 shares in Nkwe Platinum Limited

12 Creditors – amounts falling due within one year	Group	Group	Company	Company
	2006	2005	**2006**	2005
	£	£	**£**	£
Amount due to subsidiary undertaking	**-**	-	**131,083**	131,083
Amount due to joint venture	**397,399**	48 851	**397,399**	48,851
Taxes and social security	**-**	24,231	**-**	24,231
Other creditors	**50,252**	47,581	**41,104**	37,742
Accruals	**108,775**	92,356	**93,912**	76,503
	556,426	213,019	**663,498**	318,410

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

13 Creditors – amounts falling due after one year	Group	Group	Company	Company
	2006	2005	**2006**	2005
Convertible unsecured loan stock	**£**	£	**£**	£
Redemption value at 31 December 2006	**470,000**	-	**470,000**	-
Un-amortised issue costs and equity reserve	**(51,910)**	-	**(51,910)**	-
Convertible loan stock balance at end of period	**418,090**	-	**418,090**	-
Minority shareholder loan	**81,908**	93,251	**-**	-
	499,998	93,251	**418,090**	-

Loan stock with a face value of £700,000 was issued on 31 March 2006, bearing interest at a rate of 8% The stock is convertible, at the holders' option at any time before maturity on 31 March 2008, into ordinary shares at the rate of £0 05 per share Loan stock to the face value of £230,000 was converted to ordinary shares during April 2006 Any unconverted stock is redeemable at maturity on 31 March 2008 The allocation of redemption face value between liability and equity components has been accounted for in accordance with Financial Reporting Standard FRS 25

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 projects 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 2006 £000	Group 2005 £000
Difference between accumulated depreciation and capital allowances	**3**	3
Tax losses	**2,147**	1,888
Unrecognised deferred tax asset	**2,150**	1,891

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 2006 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 profile of the financial assets is set out below

Group	**2006**	2005
Cash	**£**	£
Pounds Sterling	**568,330**	42,664
US Dollars	**562,651**	155,504
Russian Roubles	-	33
	1,130,981	198,201

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

(b) Financial liabilities

As at 31 December 2006 and 31 December 2005 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 2006 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 then 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 £	AUD$
GBP £	-	161 448	(5,652)	(7,200)	(10,602)
US $	(1,083,991)	-	-	-	-
31 December 2006	(1,083,991)	161,448	(5,652)	(7,200)	(10,602)
GBP £	-	105,046	-	(3,078)	(9,285)
US $	(1,033,647)	-	-	-	-
31 December 2005	(1,033,647)	105 046	-	(3,078)	(9,285)

16 Called-up share capital

	2006		2005	
	Number of Shares	**Nominal Value**	Number of Shares	Nominal Value
Authorised		**£**		£
Attributable to equity interests				
Ordinary Shares at 5 pence	**500,000,000**	**25,000,000**	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	**140,856,107**	**7,042,805**	103,761,717	5,188,086

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

Share issue	Date	Number of Shares	Issue price Pence	Nominal value £
Conversion of 8% loan notes	26 April 2006	4,400,000	5	220,000
Warrants exercised	26 April 2006	4,000,000	5	200 000
Conversion of 8% loan notes	28 April 2006	200,000	5	10,000
Shares issued for asset acquisitions	28 April 2006	10 750,000	5	537,500
Share placing for cash	30 August 2006	17,627,350	5 3	881,367
Shares issued in lieu of loan note interest	12 December 2006	117,040	5	5 852
Shares issued during 2006		37,094,390		1,854,719
Share capital 1 January 2006		103,761,717		5,188,086
Share capital 31 December 2006		**140,856,107**		**7,042,805**

Notes to the Financial Statements

For the year ended 31 December 2006

During the year the Company issued
4,600,000 shares in respect of the conversion of £230,000 face value of loan notes,
4,000,000 shares for £200,000 in cash, in respect of the exercise of warrants exercised at 5p per share,
10,750,000 shares in respect of assets acquired on behalf of the Group's joint venture in the Kola peninsula,
117,040 shares in lieu of interest payments on convertible loan notes,
17,627,350 shares in a placing for an aggregate cash consideration of £934,250 In respect of this share issue, expenses of £66,707 were charged to the share premium account

Potential issues of ordinary shares

Share options and warrants

At 31 December 2006 the Company had 4,695,000 options and 10,000,000 warrants outstanding for the issue of ordinary shares, as follows

Date of grant	Exercisable from	Exercisable to	Exercise price	Number at 1 01 06	Number issued/(expired)	Number at 31 12 06
Options						
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 2004	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
30 June 2005	30 June 2005	30 June 2015	7 25p	500,000		500,000
				4,829,998	(134,998)	**4,695,000**
Weighted average exercise price				*8 35p*	*18p*	*8 07p*
Warrants						
3 March 2005	3 March 2005	3 March 2006	6p	5,687,500		
Expired 3 March 2006					(5,687,500)	-
Granted 31 March 2006	31 March 2006	31 March 2008	5p		14,000,000	
Exercised 26 April 2006					(4,000,000)	10,000,000
				5,687,500	4,312 500	**10,000,000**
Total contingently issuable shares at 31 December 2006						**14,695,000**

Notes to the Financial Statements

For the year ended 31 December 2006

17 Reserves

	Group	Company
	£	£
Share premium account		
At 1 January 2006	7,034,374	7,034,374
Premium on shares issued during the year	52,879	52,879
Issue expenses on shares issued during the year	(66,704)	(66,704)
At 31 December 2006	7,020,549	7,020,549
Other reserves		
Equity component of convertible loan notes		
At 1 January 2006	-	-
Issue of 8% unsecured convertible loan notes on 31 March 2006	54,288	54,288
Issue expenses on equity portion of loan notes	(5,121)	(5,121)
At 31 December 2006	49,167	49,167
The loan notes are more fully described in note 13		
Capital redemption reserve		
At 1 January and 31 December 2006	3,539,906	3,539,906
Profit and loss account		
At 1 January 2006	(14,114,787)	(14,139,410)
Loss for year	(989,522)	(991,974)
Other recognised gains and losses	(87,547)	-
At 31 December 2006	(15,191,856)	(15,131,384)

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

	2006	2005
	£	£
At 1 January	(33,700)	(31,702)
Exchange (loss) / gain	5,740	(3,691)
Profit / (Loss) for the year	(26,974)	1,693
At 31 December	(54,934)	(33,700)

19 Cash flow statement

	2006	2005
	£	£
(a) Reconciliation of Operating Loss to Operating Cash Flows		
Operating loss	(776,956)	(1,567,901)
Depreciation charges	6,413	5 413
Loss on sale of marketable securities	-	5,476
Impairment charge	29,129	156,925
Loss attributable to joint venture	98,017	477,602
(Increase)/decrease in debtors	(15,275)	44,664
Increase/(decrease) in creditors	343,407	(24,423)
Net cash outflow from operating activities	(315,265)	(902,244)

Notes to the Financial Statements

For the year ended 31 December 2006

(b) Returns on investments and servicing of finance	2006	2005
	£	£
Interest received	22,715	6,257
Interest paid	(40,522)	-
Net cash (outflow)/inflow from returns on investments and servicing of finance	(17,807)	6,257

(c) Capital expenditure and financial investment		
Purchase of tangible fixed assets	(3,215)	(2,299)
Investment in exploration and development	(49,116)	(71,324)
Proceeds from sale of exploration assets	-	58,112
Acquisition cost of assets contributed to joint venture company	905,070	-
Non-cash cost of assets contributed to joint venture company	(537,500)	-
Net cash outflow for asset contribution to joint venture company	(367,570)	-
Proceeds from sale of marketable securities	-	148 412
Net cash inflow / (outflow) for capital expenditure and financial investment	(419,901)	132,901

(d) Financing		
Issue of convertible loan stock	655,000	-
Issue of ordinary shares	1,067,542	871,500
Net cash inflow from financing	1,722,542	871,500

(e) Analysis of Net Funds	At 1 Jan 2006	Cash flow	Exchange	At 31 Dec 2006
	£	£	£	£
Cash in hand, at bank	198,201	969 569	(36,789)	1,130,981

20 Contingencies and commitments

The Group has no material contingent liabilities or commitments

21 Related party transactions

The Group had no related party transactions

22 Post balance sheet events

There were no material post balance sheet events

EURASIA MINING PLC

("the Company")

NOTICE OF THIRTEENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the thirteenth Annual General Meeting of the Company will be held at The East India Club, 16 St James's Square, London SW1Y 4LH on 8 August 2007 at 11 00 am for the following purposes

Ordinary Business

1 To consider and approve the audited accounts for the period ended 31 December 2006 together with the Report of the Directors and the report of 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 Gary FitzGerald, 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 4 as ordinary resolutions and as to resolution 5 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") in substitution for any existing authority given to the Directors under section 80 of the Act, to allot relevant securities (as defined in sub-section (2) of that section) up to an aggregate nominal amount of £5,000,000, 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), sure 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,

6 That subject to the passing of resolution 5 as set out in the notice of this meeting, 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 such resolutions for cash as if section 89(1) of the Act did not apply to any such allotment provided that the power conferred by this resolution shall be limited to the allotment of equity securities up to an aggregate nominal value of £5,000,000 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 an offer or agreement as if the power conferred hereby had not expired

Dated 28 June 2007

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 office of the Companys Registrars 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 6 August 2007 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 Thirteenth Annual General Meeting to be held on 8 August 2007

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 Thirteenth Annual General Meeting of the Company to be held on the eighth day of August 2007 at 11 00am 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 28 June 2007 as follows and otherwise as he/she shall think fit

	For	Against
1 To approve the audited accounts for the period ended 31 December 2006		
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 Gary FitzGerald 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 00am on 6 August 2007

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 2

AFFIX
STAMP

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

FOLD 3
(then turn in)

FOLD 1

Company Information

Directors
M P Martineau (Chairman)
C Schaffalitzky (Managing Director)
G C FitzGerald (Non Executive)

Secretary
M J de Villiers

Head Office and Registered Office
1 Hay Hill
London W1J 6DH
Telephone +44 (0) 20 7495 4877
Facsimile +44 (0) 20 7493 8858
E-mail info@eurasia-mining plc uk
www eurasiamining co 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
Grant Thornton House
Melton Street
Euston Square
London NW1 2EP

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
24 Martin Lane
London EC4R 0DR
and
11 St James's Square
Manchester M2 6WH

Brokers
King & Shaxson Limited
6th Floor, Candlewick House
120 Cannon Street
London EC4N 6AS

Financial Advisers
Loeb Aron & Company Ltd
Georgian House
63 Coleman Street
London EC2R 5BB

Share Analysis

as at 15 June 2007

Holdings	No of Accounts	No of shares held	% of share capital
1 - 10,000	955	3,752,249	2 67
10,001 - 50,000	439	11,738,326	8 33
50,001 - 100,000	112	8,808,949	6 25
100,001 - 500,000	89	20,683,195	14 68
500,001 - 1,000,000	13	8,953,269	6 36
1,000,001 - 5,000,000	16	39,992,102	28 39
5,000,001-	6	46,928,017	33 32
Totals	**1,630**	**140,856,107**	**100 00**

EURASIA MINING PLC

1 Hay Hill
London W1J 6DH
Telephone +44 (0) 20 7495 4877
Facsimile +44 (0) 20 7493 8858
E-mail info@eurasia-mining plc uk
www eurasiamining co uk