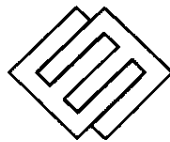


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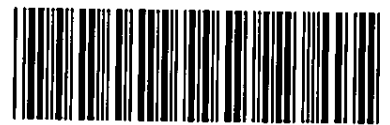
Annual Report 2007



EURASIA MINING PLC

TUESDAY

FRIDAY



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COMPANIES HOUSE

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

Chairman's Statement

As I write this report, Eurasia has recently announced that Deloan Investment Limited, has agreed to invest a minimum of £1 million through the issue of a series of convertible loan notes and warrants. Agreed at a strike price of 5p per share, the arrangement means that following conversion of the loan, and assuming the exercise of all the warrants, Eurasia will have raised a total of £3 million through the issue of ordinary shares to Deloan. The Directors and I believe this transaction represents a successful first step in securing a new Russian partner and that with Deloan's support Eurasia can look forward to exploring potential new acquisitions in Russia.

I am also pleased to be able to report this brand new development in this latest statement to shareholders because it shows how, following the end of the year under review, Eurasia has now successfully positioned itself to advance further towards the planned development phases of the projects we have been working on so patiently over recent years. Our balance sheet for the year end does not reflect these resources we now have at our disposal, but our successful exploration results and the terms of the transaction with Deloan mean that we believe we can now look forward to further solid progress with renewed confidence.

In addition to our work on existing developments, as I have already mentioned, we are confident the relationship with Deloan will also assist in our moves towards acquiring new projects, further strengthening our long-term asset base. This transaction has been long in the making, and it underscores our intention to establish a firm production base, while continuing our exploration efforts in a country where so much untapped potential remains.

During 2007, Eurasia has made solid progress on its platinum projects, with drilling confirming earlier indications of economic grades on two of our projects on the Kola Peninsula in north-west Russia. This area of Russia, together with neighbouring Finland, has potential to become a new region in the world to challenge South Africa and the Norilsk district in Russia in the production

of platinum group metals (PGM). A number of industry majors are working in the region, including Barrick Gold Corp, which has recently announced progress with feasibility studies for mine development. In the central Urals, our second area of activity in Russia, we successfully completed reserve drilling of the first area we plan to mine at our West Kytlim project, and the process of acquiring permits for mining is now well underway.

Kola Projects

Eurasia holds three exploration licences on the Kola Peninsula, together covering 450 square kilometres. They form part of a joint venture with Anglo Platinum, in which Anglo is earning an initial 40% interest in the three projects by funding the first \$10 million of exploration expenditure. Under the agreement, work entered its second year during 2007, and by December approximately \$5.8 million had been invested into direct exploration work. The most advanced project is Monchetundra, where a discovery made in 2006 was followed up with 4,004 metres of drilling during 2007. This work confirmed the presence of two mineralised zones, one of which should be drilled to resource status in 2008. At Volchetundra, the second of the three concessions, two separate mineralised zones have been identified in two areas approximately three kilometres apart. Continued work during 2008 is focusing on establishing the continuity of the mineralisation we have identified, as there remains much untested ground between the two areas.

Although still early stage, both licence areas have generated potential bulk mineable targets. Drilling recently recommenced following the end of winter at Monchetundra and Volchetundra and will continue throughout 2008. Drilling on the less-advanced third licence area at West Imandra has located anomalous PGM values.

Urals Projects

In the Urals, Eurasia has since 2001 also been working in joint venture with Anglo Platinum on

alluvial platinum projects. There, the joint venture is based on Anglo completing a bankable feasibility study to complete an earn-in of 50% in our part of the project. Our local partner, Yuzhno-Zaozeorsky Priisk, retains a 25% interest. Our work to date has advanced the West Kytlim project to the mining stage. Drilling during the period continued in the Bolshaya Sosnovka area, with the objective of delineating at least five years of production. This target has been achieved, and a Russian feasibility study known as a TEO has been submitted to the authorities for approval. We remain ready to commence mining once all the relevant statutory processes have been completed. However, at the time of writing it seems unlikely that we will be able to commence mining in 2008 as was planned, reflecting the challenges of working through the lengthy permitting processes in place in Russia. We of course remain confident that with our well-developed understanding of the permitting system, and our careful approach, we shall in due course achieve our objectives and clear the way for mining to begin. Also at West Kytlim, we are continuing with our appraisal work on the Tylai Terrace areas and have been identifying increases to the overall resource base of the licence area. Although initial production will be small scale, it can provide early cash flow and importantly, valuable experience for the local workforce.

Elsewhere in the Urals, the joint venture intends to apply for further exploration licences, and this process is well advanced. Again, the licence acquisition process requires patience, partly as a result of ongoing changes in the administrative system, as well as to proposed revisions to mining legislation. But we understand this has affected all mining companies working in Russia, and we are working steadily towards our objectives within this changing environment.

Gold projects

Work completed during the year has identified a number of new exploration opportunities. The Company currently has seven gold projects at the application stage, all of which have been affected

by the ongoing statutory changes referred to above.

Corporately, while the company has worked mainly on the Anglo Platinum-funded joint venture projects during 2007, it has also funded its own work on gold exploration. In the Urals, a metallurgical bulk sample study is underway at the Baronskoe palladium gold project to identify an optimum ore processing route.

We have also focused heavily on establishing a strategic partnership with a Russian company to strengthen and enlarge our mineral development activities. As previously mentioned, we announced the completion of a convertible loan in May 2008, marking the first step in this process. I am pleased to welcome Dmitry Suschov to the board, Dmitry has worked with the company on business development for the last two years and we look forward to benefitting from his experience.

During the coming year, your Board anticipates that we shall continue to add value to our PGM portfolio, especially by way of the major drilling programmes underway at Kola. We also look forward to advancing to the production stage at West Kytlim. Both projects are currently fully funded by Anglo Platinum. In parallel, we expect to achieve a significant broadening of our Russian activities and portfolio, working alongside our strategic partners. We look forward with considerable anticipation to announcing further developments as these partnerships develop.

I would like to conclude by thanking our team in Russia and London who continue to work tirelessly on progressing the company's many areas of development.

Dr Michael Martineau
Chairman

Directors' Biographies

MICHAEL MARTINEAU
MA, D Phil, FIMMM, age 63,
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 54, 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 54 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

DMITRY SUSCHOV
age 30, is a Non-Executive
Director He is currently a director
of Deloan Investments Limited and
the following Russian and Ukrainian
companies Daltekhgas (Open Joint
Stock Company), Kiev Oxygen
Works (Closed Joint Stock
Company), and Pivdentekhgaz
(Open Joint Stock Company)
He has also been a director of
NH Capital Limited, Dutch Noble
House Limited and Noble House
Kazakhstan Limited He is an
Investment Banker with extensive
experience in the Russian resources
industry and has previously worked
with IG Capital (former Lukoil-
Reserve-Invest), MDM Bank,
PricewaterhouseCoopers and
Ernst&Young as mining & metals
leader in corporate finance for
Russia and CIS

Report of the Directors

The Directors present their report and the audited financial statements for the year ended 31 December 2007 prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and implemented in the UK

Principle 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

Key performance indicators

At this stage in of the group's business activities the Directors do not consider many key performance indicators to monitor progress in the delivery of the Group's strategic objectives, to assess actual performance against targets and to aid management of the business, other than the monitoring of licences and stages of exploration

The Board monitors relevant Key Performance Indicators (KPIs) which, for a company at Eurasia's stage of development, are focussed on managing the activities inherent in exploration and appraisal operations. The key performance indicators for the Group are as follows

Financial KPIs

Shareholder return – the performance of the share price,
Exploration expenditure – Finding and development costs

Non financial KPIs

Environment management – strict environmental policies in place,
Operational success – The number of successful exploration drilling ventures added

Directors

The Directors who served during the period were

M P Martineau
C Schaffalitzky
G C FitzGerald
Directors' interests

Share interests

The Directors of the Company who held office at 31 December 2007 held the following beneficial interests (including interests held by spouses and minor children) in the ordinary shares of the Company

	31 Dec 2007 No of shares	1 Jan 2007 No of shares
G C FitzGerald	1 326,295	1 246 295
M P Martineau	996 366	936 092
C Schaffalitzky	1 966,866	1,886 866
Total	4 289 257	4 069 253

Share options

The Directors of the Company held share options granted under the Company's Executive share option scheme, as indicated below. No share options were exercised during the year

	31 Dec 2007 No of shares	1 Jan 2007 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 of the Company who held office at 31 December 2007 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 2007 No of shares	1 Jan 2007 No of shares
G C FitzGerald	1 000 000	1 000,000
M P Martineau	1,000 000	1 000 000
C Schaffalitzky	1,000,000	1 000 000
Total	3 000,000	3 000 000

Unsecured 8% convertible loan notes and warrants

The Directors of the Company who held office at 31 December 2007 held the following beneficial interests (including interests held by spouses and minor children) in 8% convertible loan notes

	31 Dec 2007		31 Dec 2006	
	Note value	Equivalent No of shares	Note value	Equivalent No of shares
G C FitzGerald	£50 000	1 000 000	£50 000	1 000 000
M P Martineau	£50 000	1 000,000	£50,000	1 000 000
C Schaffalitzky	£50 000	1,000 000	£50,000	1 000 000
Total	£150,000	3 000 000	£150 000	3,000,000

Share capital

The authorised share capital of the Company at 31 December 2007 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 (the "Act") provides that any shares being issued for cash must in general be issued to all existing shareholders pro-rata to their holding. However, Section 95 of the Act provides that where Directors have a general authority to allot shares in accordance with Section 80 of the Act, they may be authorised by the Articles or by a special resolution to allot shares pursuant to the authority as if the statutory pre-

Report of the Directors continued

emption rights did not exist

At the Annual General Meeting, held on 08 August 2007, 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 8 November 2008 or the date of the next Annual General Meeting

The Board has utilised the authority up to a nominal amount of up to £5,000,000 pursuant to

- (i) 30 April 2007 – issued 400,000 share options to subscribe for Ordinary Shares in the company at 7 pence each valid for 10 years,
- (ii) 26 November 2007 – issue of 220,274 Ordinary Shares in lieu of interest due from the Company to holders of Unsecured Convertible Redeemable Loan notes,
- (iii) 22 December 2007 – issued 250,000 share options to subscribe for Ordinary Shares in the company at 7 pence valid for 10 years,
- (iv) 31 March 2008 – granted warrants to subscribe for 9,400,00 Ordinary Shares in the Company at a price of 5 pence per share until 30 September 2011,
- (v) 27 May 2008 – issue of a loan note of £1,000,000 which is convertible into Ordinary Shares at 5 pence each at any time up to 12 months from date of drawdown. The loan will be drawn down in four equal instalments of £250,000 (5 million Ordinary Shares of 5pence) three months apart. The loan automatically converts into 20,000,000 Ordinary Shares of 5pence each on maturity if it has not been converted prior to maturity
- (vi) 27 May 2008 – the Board agreed to grant to the holder of the loan note referred to in paragraph (v) above warrants in four equal tranches, concurrently with loan notes draw downs, to subscribe for a total of 40,000,000 Ordinary Shares in the Company at 5 pence each (a total nominal value of £2,000,000). The warrants may be exercised at any time prior to maturity date of the loan notes

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

It will also 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 Act 1985 up to an aggregate nominal amount of £5,000,000

The authorities granted under proposed resolutions 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 6.75 pence during the year. At 31 December 2007 the mid-market price was 3.25 pence

Substantial share interests

The Company had been notified of the following interests in shares held as at 12 June 2008

	No of shares held	% of share capital
Firebird Management LLC	15 477 143	10.97%
JP Morgan Asset Management	12 034 300	8.53%
R B Rowan	8 569 000	6.07%
Audley Properties Limited	8 000 000	5.67%
Ferrier Lulin & Cie SA	6,000,000	4.25%
Raffles Associates LP	4 000 000	2.84%
El Oro & Exploration Company Plc	3,879 286	2.75%

Share Analysis

As at 02 June 2008

Holdings	No of accounts	No of shares held	% of share capital
1 - 10,000	918	3,599 550	2.55
10 001 - 50,000	400	10,614 861	7.52
50 001 - 100 000	106	8 373 447	5.94
100 001 - 500 000	86	20,784,007	14.73
500 001 - 1 000 000	11	7,473 804	5.30
1 000 001 - 5 000 000	15	36,620 479	25.96
Over 5,000 000	7	53 610 233	38.00
Totals	1 543	141,076 381	100

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 International Financial Reporting Standard (IFRS). 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 IFRS have been followed, subject to any material departures disclosed and

Report of the Directors continued

- 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 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 1st January 2007 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.

Report of the Directors continued

Total Directors' emoluments are disclosed in note 24 to the financial statements and the Directors' options are disclosed above. 650,000 options were granted to employees during the year (2006 nil)

Dividends and profit retention

No dividend is proposed in respect of the year (2006 £nil) and the retained loss for the year of £879,442 (2006 £989,522) 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 28 to the financial statements

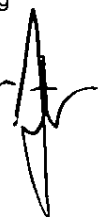
Auditors

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

24 June 2008



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 2007 which comprise the principal accounting policies, the group income statement, the group and parent company balance sheets, the group and parent company cash flow statements, the group and parent company statements of changes in members' equity, and notes 1 to 30. 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, the Directors' Remuneration Report and the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union 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 whether the financial statements have been 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.

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. The other information comprises only the Chairman's Statement, the Directors' Report and the Corporate Governance Statement. 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 group financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the group's affairs as at 31 December 2007 and of its loss for the year then ended;
- the parent company financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union as applied in accordance with the provisions of the Companies Act 1985, of the state of the parent company's affairs as at 31 December 2007;
- 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
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS

London
24 June 2008

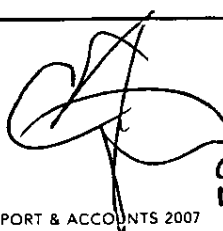
Consolidated Income Statement

		Year to 31 December 2007	Year to 31 December 2006
	Note	£	£
Impairment of assets		-	(29,129)
Gross loss		-	(29,129)
Administrative costs		(727,077)	(649,810)
Result from equity accounted investments		(32,894)	(98,017)
Finance income	8	24,926	22,715
Finance costs	8	(78,637)	(88,632)
Other financial result	9	(71,266)	(173,623)
Loss before tax		(884,948)	(1,016,496)
Income tax expense	10	-	-
Loss for the period		(884,948)	(1,016,496)
Attributable to			
Equity holders of the parent		(879,442)	(989,522)
Minority interest		(5,506)	(26,974)
Loss for the period		(884,948)	(1,016,496)
Loss per share			
Basic and diluted loss (pence per share)		(0.62)	(0.81)

Consolidated Balance Sheet

	Note	31 December 2007 £	31 December 2006 £
ASSETS			
<i>Non-current assets</i>			
Property, plant and equipment	11	28,128	33,601
Intangible assets	12	863,348	859,613
Investments in equity accounted investees	14	1,257,297	1,220,054
Assets available for sale		125	127
Total non-current assets		2,148,898	2,113,395
<i>Current assets</i>			
Trade and other receivables	15	193,426	217,685
Cash and cash equivalents		106,729	1,130,981
Total current assets		300,155	1,348,666
Total assets		2,449,053	3,462,061
EQUITY			
Issued capital	16	7,053,819	7,042,805
Share premium	16	7,020,549	7,020,549
Reserves	18	3,696,209	3,539,201
Accumulated losses		(16,021,426)	(15,141,984)
Equity attributable to equity holders of the parent		1,749,151	2,460,571
Minority interest		(59,401)	(54,934)
Total equity		1,689,750	2,405,637
LIABILITIES			
<i>Non-current liabilities</i>			
Borrowings	19	80,341	509,475
Total non-current liabilities		80,341	509,475
<i>Current liabilities</i>			
Trade and other payables	20	210,358	546,949
Borrowings	19	468,604	-
Total current liabilities		678,962	546,949
Total liabilities		759,303	1,056,424
Total equity and liability		2,449,053	3,462,061

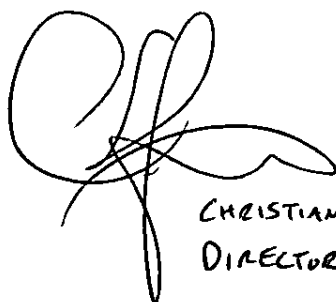
THE FINANCIAL STATEMENTS WERE
APPROVED BY THE BOARD OF DIRECTORS
ON 24 JUNE 2008



CHRISTIAN SCHAFFALITZKY
DIRECTOR

Company Balance Sheet

	Notes	31 December 2007 £	31 December 2006 £
ASSETS			
<i>Non-current assets</i>			
Property, plant and equipment	11	2,149	1,892
Investments	14	324,744	324,744
Loans to related parties	24	2,206,856	1,998,869
Total non-current assets		2,533,749	2,325,505
<i>Current assets</i>			
Trade and other receivables	15	148,165	147,433
Cash and cash equivalents		96,483	1,129,694
Total current assets		244,648	1,277,126
Total assets		2,778,397	3,602,631
EQUITY			
Issued capital	16	7,053,819	7,042,805
Share premium	16	7,020,549	7,020,549
Reserves	18	3,624,721	3,589,073
Accumulated losses		(15,703,498)	(15,131,384)
Total equity		1,995,591	2,521,043
LIABILITIES			
<i>Non-current liabilities</i>			
Borrowings	19	-	427,567
Total non-current liabilities		-	427,567
<i>Current liabilities</i>			
Trade and other payables	20	314,202	654,021
Borrowings	19	468,604	-
Total current liabilities		782,806	654,021
Total liabilities		782,806	1,081,588
Total equity and liability		2,778,397	3,602,631



CHRISTIAN SCHAFFALITZKY
DIRECTOR

Consolidated Statement of changes in equity

	Note	Share capital	Share premium	Capital redemption and other reserves	Foreign currency translation reserve	Accumulated losses	Attributable to equity holders of the parent	Minority interest	Total
		£	£	£	£	£	£	£	£
Balance at 31 December 2005		5,188,086	7,034,374	3,539,906	37,675	(14,152,462)	1,647,579	(33,700)	1,613,879
Exchange differences on translation of foreign operations		-	-	-	(87,547)	-	(87,547)	5,741	(81,806)
Loss for the period		-	-	-	-	(989,522)	(989,522)	(26,974)	(1,016,496)
Total recognised income and expense for the period		-	-	-	(87,547)	(989,522)	(1,077,069)	(21,233)	(1,098,302)
Issue of share capital	16	1,854,719	52,879	-	-	-	1,907,598	-	1,907,598
Share issue cost		-	(66,704)	-	-	-	(66,704)	-	(66,704)
Equity component of convertible loan notes	19	-	-	49,167	-	-	49,167	-	49,167
Balance at 31 December 2006		7,042,805	7,020,549	3,589,073	(49,872)	(15,141,984)	2,460,571	(54,933)	2,405,638
Exchange differences on translation of foreign operations		-	-	-	121,360	-	121,360	1,038	122,398
Loss for the period		-	-	-	-	(879,442)	(879,442)	(5,506)	(884,948)
Total recognised income and expense for the period		-	-	-	121,360	(879,442)	(758,082)	(4,468)	(762,550)
Issue of share capital	16	11,014	-	-	-	-	11,014	-	11,014
Recognition of share-based payments	22	-	-	36,648	-	-	36,648	-	36,648
Balance at 31 December 2007		7,053,819	7,020,549	3,624,721	71,448	(16,127,426)	1,749,151	(59,401)	1,689,750

Company Statement of changes in equity

	Note	Share capital £	Share premium £	Other reserves £	Retained loss £	Total £
Balance at 31 December 2005		5,188,086	7,034,374	3,539,906	(14,139,410)	1,622,956
Loss for the period		-	-	-	(991,974)	(991,974)
Total recognised income and expense for the period		-	-	-	(991,974)	(991,974)
Issue of share capital	16	1,854,719	52,879	-	-	1,907,598
Share issue costs	16	-	(66,704)	-	-	(66,704)
Equity component of convertible loan notes	19	-	-	49,167	-	49,167
Balance at 31 December 2006		7,042,805	7,020,549	3,589,073	(15,131,384)	2,521,043
Loss for the period		-	-	-	(572,114)	(572,114)
Total recognised income and expense for the period		-	-	-	(572,114)	(572,114)
Issue of share capital	16	11,014	-	-	-	11,014
Recognition of share-based payments	22	-	-	35,648	-	35,648
Balance at 31 December 2007		7,053,819	7,020,549	3,624,721	(15,703,498)	1,995,591

Consolidated Cash Flow Statement

	Note	Year to 31 December 2007 £	Year to 31 December 2006 £
Cash flows from operating activities			
Loss for the period		(884,948)	(1,016,496)
Adjustments for			
Depreciation of non-current assets		3,120	6,413
Impairment of non-current assets		-	29,129
Loss on disposal of non-current assets		3,742	-
Loss on disposal of subsidiaries		4,338	-
Share of loss of joint venture		30,025	98,017
Share of loss of associates		2,869	-
Net foreign exchange loss		63,186	173,623
Investment income		(24,926)	(22,715)
Finance costs		78,637	88,632
Share-based payments		35,648	-
		(688,309)	(643,397)
Movement in working capital			
Decrease/(increase) in trade and other receivables		24,232	(15,275)
(Decrease)/increase in trade payables		(336,357)	333,931
Cash outflow from operations		(1,000,434)	(324,741)
Interest paid		(26,586)	(31,046)
Net cash flow from operating activities		(1,027,020)	(355,787)
Cash flows from investing activities			
Contributed to joint venture		-	(367,570)
Purchase of property, plant and equipment	11	(2,825)	(3,215)
Proceeds from disposal of property, plant and equipment		829	-
Payments for intangible assets	12	(20,176)	(49,116)
Interest received		24,926	22,715
Net cash generated/(used) in investing activities		2,754	(397,186)
Cash flows from financing activities			
Proceeds from issue of share capital	16	-	1,067,542
Net proceeds from issue of convertible loan notes	19	-	655,000
Net cash proceeds from financing activities		-	1,722,542
Effects of exchange rate changes on the balance of cash held in foreign currencies		14	(36,789)
Net increase in cash and cash equivalents		(1,024,252)	932,780
Cash and cash equivalents at beginning of period		1,130,981	198,201
Cash and cash equivalents at end of period		106,729	1,130,981

Company Cash Flow Statement

	Note	Year to 31 December 2007 £	Year to 31 December 2006 £
Cash flows from operating activities			
Loss for the period		(572,114)	(991,974)
Adjustments for			
Depreciation of non-current assets		1,644	2,313
Impairment of non-current assets		-	29,129
Impairment loss / (reversal) on investments		(212,110)	212,110
Net foreign exchange loss		7,354	39,673
Investment income		(24,926)	(22,715)
Finance costs		78,637	88,632
Share-based payments		35,648	-
		(685,867)	(642,832)
Movement in working capital			
Decrease/(increase) in trade and other receivables		28,771	(13,423)
(Decrease)/increase in trade payables		(324,536)	335,611
		(981,632)	(320,644)
Cash outflow from operations			
Interest paid		(26,586)	(31,046)
		(1,008,218)	(351,690)
Cash flows from investing activities			
Purchase of property, plant and equipment	11	(1,901)	(1,032)
Payments for intangible assets		-	(2,191)
Amounts advanced to related party	24	(25,380)	(421,223)
Interest received		24,926	22,715
		(2,335)	(401,731)
Cash flows from financing activities			
Proceeds from issue of share capital		-	1,067,542
Net proceeds from issue of convertible loan notes		-	655,000
		-	1,722,542
Effects of exchange rate changes on the balance of cash held in foreign currencies		(22,637)	(37,483)
		1,033,246	931,638
Net increase in cash and cash equivalents		1,033,246	931,638
Cash and cash equivalents at beginning of period		1,129,693	198,055
Cash and cash equivalents at end of period		96,483	1,129,693

Notes to the Consolidated Financial Statements

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1 General information

Eurasia Mining Plc (the "Company") is a public limited company incorporated and domiciled in Great Britain with its registered office and principal place of business at Suite 139, Grosvenor Gardens House, 35-37 Grosvenor Gardens, London SW1W 0BS. The Company's shares are listed on the Alternative Investment Market of the London stock Exchange. The principal activities of the Company and its subsidiaries (the "Group") are related to the exploration for and development of platinum group metals, gold and other minerals in Russia.

Eurasia Mining Plc's consolidated financial statements are presented in Pounds Sterling (£), which is also the functional currency of the parent company.

2 Significant accounting policies

2.1 Basis of preparation

Prior to 2007, the Group prepared its audited financial statements and unaudited financial statements under UK Generally Accepted Accounting principles (UK GAAP). From 1 January 2007, the Group is required to prepare annual consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and implemented in the UK. As the 2007 annual financial statements will include comparatives for 2006, the Group's date of transition to IFRS is 1 January 2006 with the 2006 comparatives restated to IFRS. Thus these consolidated financial statements for the period ended 31 December 2007 have been prepared by applying the recognition and measurement provisions of IFRS and the accounting policies to be adopted for the annual accounts. These policies are summarised in note 3 below.

An exercise to assess the full impact that the change to IFRS has had on the Group's reported equity, reported losses and accounting policies, has been completed. In preparing its opening IFRS balance sheet, the Group has adjusted amounts reported previously in financial statements prepared in accordance with its previous basis of accounting (UK GAAP). Adoption of IFRS resulted in no changes in the reported numbers from UK GAAP.

These financial statements have been prepared under the historical cost convention, except for revaluation of certain properties and financial instruments.

The accounting policies have been applied consistently throughout the Group for the purposes of preparation of these consolidated financial statements.

2.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company. Control is achieved where the Company has the power to govern the financial and

operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Minority interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Minority interests consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination.

Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

2.3 Interests in joint ventures

A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity that is subject to joint control that is when the strategic financial and operating policy decisions relating to the activities of the joint venture require the unanimous consent of the parties sharing control.

The Group reports its interests in jointly controlled entities using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

Under the equity method, investments in joint venture are carried in the consolidated balance sheet at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the joint venture, less any impairment in the value of individual investments. Losses of a joint venture in excess of the Group's interest in that joint venture are not recognised, unless the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the joint venture recognised at the date of acquisition is recognised as goodwill.

The goodwill, if any is included within the carrying amount of the investment and is assessed annually for impairment as part of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and

Notes to the Consolidated Financial Statements

For the year ended 31 December 2007

contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss

Unrealised gains on transactions between the Group and its joint venture are eliminated to the extent of the Group's interest in the joint venture. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred

2.4 Interests in associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. Under the equity method investments in associates are carried in the consolidated balance sheet at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associate, less any impairment in the value of individual investments. Losses of an associate in excess of the Group's interest in that associate are not recognised, unless the Group has incurred legal or constructive obligations or made payments on behalf of the associate

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill

The goodwill, if any, is included within the carrying amount of the investment and is assessed annually for impairment as part of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss

Where a group entity transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate

2.5 Foreign currencies

Functional and presentation currency

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in GBP, which is the functional and the presentation currency of the Company

Transaction and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing

at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement

Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated

Group companies

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet,
- income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions), and
- all resulting exchange differences are recognised as a separate component of equity

When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale

2.6 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation

All other borrowing costs are recognised in profit or loss in the period in which they are incurred

2.7 Share-based payments

Equity-settled share-based payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instrument at the grant date. Fair value is measured by use of Black Scholes model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations

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The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest.

Equity-settled share-based payment transactions with other parties are measured at the fair value of the goods and services received, except where the fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

All equity-settled share-based payments are ultimately recognised as an expense in the income statement with a corresponding credit to "Share-based payments reserve".

Upon exercise of share options the proceeds received net of attributable transaction costs are credited to share capital, and where appropriate share premium. No adjustment is made to any expense recognised in prior periods if share options ultimately exercised are different to that estimated on vesting or if the share options vest but are not exercised.

Cash-settled share-based payments

For cash-settled share-based payments, a liability equal to the portion of the goods or services received is recognised at the current fair value determined at each balance sheet date.

2.8 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of goodwill, initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

2.9 Property, plant and equipment

Freehold properties held for administrative purposes, are stated in the balance sheet at cost.

Fixtures and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to write off the cost or valuation of assets over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Useful lives used in the calculation of depreciation range from three to five years.

2.10 Intangible assets

Exploration, evaluation and development of mineral resources.

Exploration and evaluation expenditure comprises costs that are directly attributable to:

- researching and analysing existing exploration data,
- conducting geological studies, exploratory drilling and sampling,
- examining and testing extraction and treatment methods, and/or
- compiling prefeasibility and feasibility studies.

Exploration expenditure relates to the initial search for deposits with economic potential. Evaluation expenditure arises from a detailed assessment of deposits that have been identified as having economic potential. Expenditure on exploration activity is not capitalised. Capitalisation of evaluation expenditure commences when there is a high degree of confidence in the project's viability and hence it is probable that future economic benefits will flow to the Group.

Such capitalised evaluation expenditure is reviewed for impairment at each balance sheet date. The review is based on a status report regarding the Group's intentions.

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for development of the undeveloped property. Subsequent recovery of the resulting carrying value depends on successful development of the area of interest or sale of the project.

If a project does not prove viable, all irrecoverable costs associated with the project net of any related impairment provisions are written off.

2.11 Impairment testing of goodwill, other intangible assets and property, plant and equipment

At each balance sheet date, the Group reviews the carrying amounts of the assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. Impairment losses recognised for cash-generating units, to which goodwill has been allocated, are credited initially to the carrying value of goodwill.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years.

A reversal of an impairment loss of the assets other than goodwill is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.12 Financial instruments

Financial assets and liabilities are recognised on the group's balance sheet when the group has become a party to the contractual provisions of the instrument.

Financial assets

Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables where the recognition of interest would be immaterial.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and on deposit with banks.

Available-for-sale financial assets

Available-for-sale financial assets include non-derivative financial assets that are either designated as such or do not qualify for inclusion in any of the other categories of financial assets. All financial assets within this category are measured subsequently at fair value, with changes in value recognised in equity, through the statement of changes in equity. Gains and losses arising from investments classified as available-for-sale are recognised in the income statement when they are sold or when the investment is impaired.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account.

When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the

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allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

With the exception of available-for-sale financial assets, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In the case of impairment of available-for-sale assets, any loss previously recognised in equity is transferred to the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement. Impairment losses recognised previously on debt securities are reversed through the income statement when the increase can be related objectively to an event occurring after the impairment loss was recognised in the income statement.

Financial liabilities and equity instruments issued by the Group

Classification as debt or equity

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.

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.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

3 New IFRS accounting standards and interpretations not yet adopted

The Directors together with their advisers are in the process of evaluating the impact of standards and/or interpretations that have not yet become effective. Listed below are those standards and/or interpretations most likely to impact the Group.

- IAS 1 Presentation of Financial Statements (revised 2007) (effective 1 January 2009),
- IAS 23 Borrowing Costs (revised 2007) (effective 1 January 2009),
- IAS 27 Consolidated and Separate Financial Statements (Revised 2008) (effective 1 July 2009),
- Amendment to IFRS 2 Share-based Payment - Vesting Conditions and Cancellations (effective 1 January 2009),
- IFRS 3 Business Combinations (Revised 2008) (effective 1 July 2009),
- IFRS 8 Operating Segments (effective 1 January 2009),
- IFRIC 11 IFRS 2 - Group and Treasury Share Transactions (effective 1 March 2007),

IFRS 8 Operating Segments replaces the segmental reporting requirements of IAS 14 Segment Reporting. The key change is to align the determination of segments in the financial statements with that used by management in their resource allocation decisions. This standard is not expected to have significant impact on existing disclosure.

The amendment to IAS 1 Financial statement presentation released in September 2007 redefines the primary

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statements and expands on certain disclosures within these. Once adopted the Group's primary statements will be amended to reflect the presentation required.

Based on the Group's current business model and accounting policies it is felt that the other standards and/or interpretations are unlikely to have a material impact on the Group's earnings or shareholders' funds.

4 Critical accounting judgements and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

4.1 Investments in associates

The company has combined interest in Russian registered Terskaya Mining Company and Yuksporskaya Mining Company of 60%. 20% in each of them is held directly by the Company and the remaining 80% is held by joint venture Urals Alluvial Platinum Limited (the "UAP") where the company has a 50% interest. By arrangements with the UAP the Company's ownership does not constitute control even though more than half of the potential voting power is owned by the Company and therefore the direct 20% interest has been accounted as interest in associates.

4.2 Key sources of estimation uncertainty

The following are the key assumptions / uncertainties at the balance sheet date, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4.2.1 Share-based payments

The estimation of share-based payment costs requires the selection of an appropriate valuation model and consideration as to the inputs necessary for the valuation model chosen. The Group has made estimates as to the volatility of its own shares, the probable life of options granted and the time of exercise of those options. The model used by the Group is the Black-Scholes valuation model.

4.2.2 Recoverability of 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. 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.

5 Segmental information

The entire 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.

6 Employees

Average number of staff (excluding non-executive directors) employed throughout the year was as follows:

	2007	2006
By the Company	5	4
By the Group	15	14
By the joint venture and under the Company's control	31	32

Notes to the Consolidated Financial Statements

For the year ended 31 December 2007

7 Loss for the year

Loss for the year has been arrived at after charging (crediting)

	Year to 31 December 2007		Year to 31 December 2006	
	Group	Company	Group	Company
	£	£	£	£
Depreciation	3,120	1,644	6,413	2,313
Research costs immediately expensed	141,280	141,280	89,693	89,693
Staff benefits expense				
Wages, salaries and directors fees (note 24)	204,727	172,691	239,428	218,764
Social security costs	11,705	4,352	18,729	13,683
Equity settled share based payments	23,986	23,986	-	-
Pensions – defined contributions plans	34,407	34,407	32,995	32,995
Other short term benefits	11,775	11,775	10,200	10,200
	286,600	247,211	301,312	275,602
Fees payable to the Company's auditor				
Audit of group accounts	27,301	19,000	27,301	19,000
Interim review and other services	5,500	1,000	5,500	1,000
Tax compliance fee	8,500	-	8,500	-
	41,051	20,000	41,051	20,000

8 Finance income and cost

	Year to	Year to
	31 December	31 December
	2007	2006
	£	£
Interest expense		
- Interest on convertible loan notes	(78,637)	(77,233)
- Other interest	-	(11,399)
	(78,637)	(88,632)
Interest income		
- Interest income on short-term bank deposits	24,926	22,715
Net finance cost	(53,711)	(65,917)

Notes to the Consolidated Financial Statements

For the year ended 31 December 2007

9 Other financial results

	Year to 31 December 2007 £	Year to 31 December 2006 £
Loss on disposal of property	(3,742)	
Loss on disposal of investments	(4,338)	-
Net foreign exchange gains/losses	(63,186)	(173,623)
	71,266	173,623

10 Income taxes

	Year to 31 December 2007		Year to 31 December 2007	
	Group	Company	Group	Company
	£	£	£	£
Loss before tax	(884,948)	(572,114)	(1,016,496)	(991,974)
Current tax at 30% (2006: 30%)	(265,484)	(171,634)	(304,949)	(297,592)
Adjusted for the effect of				
Expenses not deductible for tax purposes	20,873	11,005	93,194	63,789
Income not chargeable for tax purposes	(63,708)	(63,708)	-	-
Difference between depreciation and capital allowances	(424)	(424)	(338)	(338)
Tax losses carried forward	(308,743)	(224,761)	(212,093)	(234,741)
Tax liability	-	-	-	-

There was no tax payable for the year ended 31 December 2007 (2006: £nil) due to the Group and 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.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2007

11 Property, plant and equipment

Group property, plant and equipment

	Property £	Plant and equipment £	Office fixture and fittings £	Total £
Cost				
Balance at 01 January 2006	33,915	56,366	49,295	139,576
Additions	-	2,183	1,032	3,215
Disposals	-	-	(1,106)	(1,106)
Exchange differences	(4,125)	(6,857)	(450)	(11,432)
Balance at 31 December 2006	29,790	51,692	48,771	130,253
Additions	-	924	1,901	2,825
Disposals	(4,463)	(51,146)	-	(55,609)
Exchange differences	(570)	(989)	(62)	(1,621)
Balance at 31 December 2007	24,757	481	50,610	75,848
Depreciation				
Balance at 01 January 2006	(828)	(53,763)	(43,813)	(98,404)
Depreciation expense	-	(4,100)	(2,144)	(6,244)
Disposals	-	-	1,106	1,106
Exchange differences	101	6,789	-	6,890
Balance at 31 December 2006	(727)	(51,074)	(44,851)	(96,252)
Depreciation expense	-	(511)	(2,609)	(3,120)
Disposals	713	50,325	-	51,038
Exchange differences	14	977	23	1,014
Balance at 31 December 2007	-	(283)	(47,437)	(47,720)
Carrying amount				
at 31 December 2006	29,063	618	3,920	33,601
at 31 December 2007	24,757	198	3,173	28,128

The Group's and Company's property plant and equipment are free from any mortgage or charge

Notes to the Consolidated Financial Statements

For the year ended 31 December 2007

11 Property, plant and equipment (continued)

Company's office fixture and fittings

	2007	2006
	£	£
Cost		
Balance at 01 January	45,521	45,595
Additions	1,902	1,032
Disposal	-	(1,106)
Balance at 31 December	47,423	45,521
Depreciation		
Balance at 01 January	(43,629)	(42,422)
Depreciation expense	(1,644)	(2,313)
Disposals	-	1,106
Balance at 31 December	(45,273)	(43,629)
Carrying amount	2,150	1,892

12 Intangible assets

Group's exploration, evaluation and development of mineral resources

	2007	2006
	£	£
Net book value at the beginning of period	859,613	1,280,810
Additions	20,176	49,116
Reallocation to investment in associates	-	(324,744)
Impairment charge	-	(29,129)
Exchange differences	(16,441)	(116,440)
Net book value at the end of period	863,348	859,613

The Company did not directly own any intangible assets at 31 December 2007 (2006 – nil)

Notes to the Consolidated Financial Statements

For the year ended 31 December 2007

13 Significant subsidiaries

Details of the Company's significant subsidiaries at 31 December 2007 are as follows

Name of subsidiary	Place of incorporation	Proportion of ownership interest	Principal activity
Eurasia Mining (UK) Ltd	UK	100%	Holding Company
Eurasia Investment Limited	Cyprus	100%	Holding Company
ZAO Zabaikal Mining	Russia	100%	Mineral Evaluation
Eurasia PGM Limited	Cyprus	80%	Holding Company
ZAO Baranskoe Mining*	Russia	60%	Mineral Evaluation
Eurasia Mines Limited	Cyprus	100%	Service Company

* 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 recognized.

14 Investments in equity accounted investees

Investments in associates

Details of the Group's associates are as follows

Name of associates	Place of incorporation	Proportion of ownership interest	Principal activity
ZAO Terskaya Mining Company	Russia	20%	Mineral Evaluation
ZAO Yuksporskaya Mining Company	Russia	20%	Mineral Evaluation

The company has combined interest in above associates of 60%. 20% of shares are held directly by the Company and remaining 80% is held by joint venture Urals Alluvial Platinum Limited (the "UAP"). By arrangements between the partners in the UAP the Company does not have the power to exert control over above companies in proportion to its total holding in those companies and therefore 20% interest is being accounted as interest in associates.

Summarised financial information in respect of the Group's associates is set out below

	2007	2006
Total fair value adjusted assets	4,412,046	2,898,613
Total liabilities	(2,686,411)	(1,277,196)
Net assets	1,725,635	1,621,417
Group's share of associates' net assets	345,458	324,744
Total revenue	-	-
Total loss for the period	(14,345)	-
Share of associates' loss for the period	(2,869)	-

Notes to the Consolidated Financial Statements

For the year ended 31 December 2007

14 Investments in equity accounted investees (continued)

Investments in joint ventures

The Group has the following significant interests in joint ventures

Name of joint venture	Place of incorporation	Proportion of ownership interest	Principal activity
Urals Alluvial Platinum Limited	Cyprus	50%	Mineral Evaluation

Summarised financial information in respect of the joint venture is set out below

	2007	2006
Total assets	6,588,520	4,573,732
Total liabilities	(4,402,154)	(2,452,626)
Minority interest	(362,687)	(330,463)
Net assets	1,823,679	1,790,643
Group's share of joint venture's net assets	911,839	895,322
Total revenue	-	-
Total loss for the period	(60,049)	(196,034)
Share of joint venture's loss for the period	(30,025)	(98,017)

The parent company's investments presented on the basis of direct equity interest and represent the following

	2007	2006
Investment in associates	324,744	324,744
	324,744	324,744

Notes to the Consolidated Financial Statements

For the year ended 31 December 2007

15 Trade and other receivables

	2007		2006	
	Group	Company	Group	Company
	£	£	£	£
Nkwe Platinum Limited	133,451	65,951	133,451	65,951
Prepayments	17,201	14,219	8,105	8,105
Other receivables	42,774	41,196	76,129	73,377
Due from related party	-	26,799	-	-
	193,426	148,167	217,685	147,433

The fair value of trade and other receivables is not materially different to the carrying values presented

The Nkwe Platinum debtor of £133,451 is due in respect of the sale of the Groups shares and intellectual property in its South African interests. The payment of these amounts was 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.

Nkwe Platinum Limited settled outstanding debt in 2008.

16 Share capital

	2007		2006	
	Number of shares	Nominal value	Number of shares	Nominal value
	£	£	£	£
Authorised				
Ordinary shares at 5pence	500,000,000	25,000,000	500,000,000	25,000,000
Preference shares at £1	50,000	50,000	50,000	50,000
Issued				
Fully paid ordinary shares at 5pence	141,076,381	7,053,819	140,856,107	7,042,805

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

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

Details	Date	Number of shares	Share capital	Share premium
			£	£
Shares issued in lieu of loan note interest	20-Nov-07	220,274	11,014	-
Costs of issue of shares issued		-	-	-
Total shares issued in 2007		220,274	11,014	-
Balance as at 01 January 2007		140,856,107	7,042,805	7,020,549
Balance as at 31 December 2007		141,076,381	7,053,819	7,020,549

Notes to the Consolidated Financial Statements

For the year ended 31 December 2007

17 Contingent shares

Share options and warrants outstanding at the end of the year have the following expiry date and exercise prices

Expiry date	Exercise price in pence per share	Number of options as at 31 December 2007	Number of options as at 31 December 2006
Share options			
03-Nov-12	8 00	250,000	250,000
03-Nov-12	10 00	350,000	400,000
03-Nov-12	12 00	250,000	250,000
24-Nov-13	7 25	1,945,000	1,945,000
24-Nov-13	10 00	500,000	500,000
02-Jun-14	7 25	750,000	750,000
13-Jul-14	7 25	100,000	100,000
13-Sep-15	7 25	500,000	500,000
29-Apr-17	7 00	400,000	-
21-Dec-17	7 00	250,000	-
		5,295,000	4,695,000
Weighted average exercise price		7 92	8 07
Warrants			
31-Mar-08	5 00	10,000,000	10,000,000
31-Oct-09	5 30	925,436	925,436
03-Jan-10	5 00	1,250,000	1,250,000
05-Oct-12	7 00	400,000	-
		12,575,436	12,175,436
Weighted average exercise price		5 09	5 02
Total contingently issuable shares at 31 December		17,870,436	16,870,436

Notes to the Consolidated Financial Statements

For the year ended 31 December 2007

18 Reserves

	2007	2006
	£	£
Capital redemption reserve	3,539,906	3,539,906
Foreign currency translation reserve	71,488	(49,872)
Share-based payments reserve	35,648	-
Equity component of convertible loan notes	49,167	49,167
	3,696,209	3,539,201

The capital redemption reserve was created as result of share capital restructure in early years. There is no policy of regular transactions affecting capital redemption reserve.

The foreign currency translation reserve represents exchange differences relating to the translation from the functional currencies of the Group's foreign subsidiaries into GBP.

The equity-settled employee benefits reserve arises on the grant of share options to employees under the employee share option plan.

The equity component on convertible loan notes represents the value of conversion rights of the 8% convertible notes issued in 2006 (note 19).

19 Borrowings

	2007		2006	
	Group	Company	Group	Company
	£	£	£	£
Non-current				
Minority shareholder loan	80,341	-	81,908	-
Convertible loan notes	-	-	427,567	427,567
	80,341	-	509,475	427,567
Current				
Convertible loan notes	468,604	468,604	-	-
	468,604	468,604	-	-
Total borrowings	548,945	468,604	509,475	427,567

All borrowings held by the Group are unsecured.

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

Convertible loan notes with a face value were issued on 31 March 2006, bearing interest rate 8%. The notes are 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 (note 29).

The fair value of borrowings is not materially different to the carrying values presented.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2007

19 Borrowings (continued)

Movement in the convertible loan notes is analysed as follows

	2007	2006
	£	£
Liability component		
Proceeds of issue	-	700,000
Issue cost	-	(45,000)
Equity component	-	(74,539)
Liability component at the date of issue	-	580,461
Balance at 01 January	427,568	-
Interest charged	78,637	77,233
Interest paid in cash	(26,586)	(19,647)
Shares issued in lieu of interest payment	(11,014)	(5,852)
Loan notes converted into shares	-	(204,628)
Closing balance of liability component	468,604	427,567
Equity component		
Balance at 01 January	49,167	-
Equity component on the date of issue	-	74,539
Loan notes converted into shares	-	(25,372)
	49,167	49,167

20 Trade and other payables

	2007		2006	
	Group	Company	Group	Company
	£	£	£	£
Accruals	84,082	70,285	99,297	84,435
Other payables	88,432	74,990	50,252	32,104
Due to joint venture	37,844	37,844	397,399	397,399
Due to related party	-	131,083	-	131,083
	210,358	314,202	546,948	654,021

The fair value of trade and other payables is not materially different to the carrying values presented. The above listed payables were all unsecured.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2007

21 Unrecognised deferred tax assets

Deferred tax assets/(liabilities) arise from the following

	2007	2006
	£	£
Temporary differences		
Property, plant and equipment	2,105	2,529
Share options	(14,750)	-
	(12,645)	2,529
Unused tax losses	2,738,052	2,429,309
Net deferred tax assets	2,725,407	2,431,838

No deferred tax has been recognised as the recoverability of the deferred tax asset is dependent upon future profits

22 Share-based payments

Share options

Share options are granted to directors and selected employees. Options are exercisable starting from the date of grant and have a contractual term of 10 years from the date of grant. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

The weighted average fair value of the share options granted during the financial year is 3.55 pence per option (2006: nil).

Warrants

In 2007 400,000 warrants were granted to financial advisors as part payment for their services. Warrants are exercisable starting from the date of grant and have a contractual term of five years from the date of grant. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

The weighted average fair value of the warrants granted during the financial year is 3.14 pence per option (2006: nil).

Options and warrants were priced using Black-Scholes valuation model. Expected volatility is based on the historical share price volatility over the past 3 years.

Inputs into the model

	Options Series1	Options Series2	Warrants
(Share price expressed in pence per share)			
Date of grant	30-Apr-2007	22-Dec-2007	05-Oct-2007
Grant date share price	4.50	3.25	3.50
Exercise price	7.00	7.00	7.00
Expected volatility	160%	157%	157%
Option life	10 years	10 years	5 years
Risk-free interest rate	4.5%	4.5%	4.5%
Dividend yield	0%	0%	0%

Notes to the Consolidated Financial Statements

For the year ended 31 December 2007

22 Share-based payments (continued)

Movement in number of share options and warrants outstanding and their related weighted average exercise prices are as follows

(Share price expressed in pence per share)

	2007		2006	
	Average exercise price	No of options	Average exercise price	No of options
Share options				
At 1 January	8 07	4,695,000	8 35	4,829,998
Granted	7 00	650,000	-	-
Forfeited	10 00	(50,000)	-	-
Exercised	-	-	-	-
Expired	-	-	18 00	(134,998)
At 31 December	7 92	5,295,000	8 07	4,695,000
Warrants				
At 1 January	5 02	12,175,436	6 00	5,687,500
Granted	7 00	400,000	5 02	16,175,436
Cancelled	-	-	5 00	(4,000,000)
Exercised	-	-	-	-
Expired	-	-	6 00	(5,687,500)
At 31 December	5 09	12,575,436	5 02	12,175,436

All listed options and warrants were exercisable as at 31 December 2007 and 2006 respectively

23 Loss per share

Basic loss per share is calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year

	2007	2006
	£	£
Loss attributable to equity holders of the company	(879,442)	(989,522)
Weighted average number of ordinary shares in issue	150,281,454	122,848,396
Basic loss per share	(0 624)	(0 805)

There is no dilutive effect of share options or warrants

Notes to the Consolidated Financial Statements

For the year ended 31 December 2007

24 Related party transactions

Transactions with subsidiaries and joint venture

In the normal course of business, the Company provides funding to its subsidiaries for reinvestment into exploration projects and manages funds received from partners in joint venture

	2007	2006
	£	£
Receivables from subsidiaries	2,206,856	1,998,869
Payables to subsidiaries	(131,083)	(131,083)
Payables to joint venture	(37,844)	(397,399)
Compensation of management expenses received from subsidiary	-	1,228
Compensation of management expenses received from joint venture	141,174	79,769

The fair value of the transactions with subsidiaries and joint ventures are not materially different to the carrying values presented. The amounts owed by subsidiary and joint venture companies are unsecured and receivable on demand but are not expected to be fully received within the next twelve months but when the project reaches such an advanced stage of development that it can be repaid out of the proceeds of either the project's cash flow or through the direct or indirect disposal to a third party of an interest in the project.

Transactions with key management personnel

The directors and key executives of the Company who held office at 31 December 2007 received the payments and held beneficial interest in 8% convertible loan notes as follows

	2007	2006
	£	£
Short-term benefits		
Directors remuneration	120,358	113,825
Outstanding value of convertible loan notes	150,000	150,000
Interest paid		
- in cash	986	1,414
- in shares	11,014	5,852
	12,000	7,266

No share options or warrants were granted to the directors and key executives in 2007

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends

Notes to the Consolidated Financial Statements

For the year ended 31 December 2007

25 Operating lease arrangements

Operating leases relate to the office premises with lease terms up to 2 years. The Group does not have an option to purchase the leased asset at the expiry of the lease period.

	2007		2006	
	Group £	Company £	Group £	Company £
Payments recognised as an expense				
Minimum lease payments	61,005	29,135	58,589	27,000
Non-cancellable operating lease commitments				
Not longer than 1 year	54,770	22,750	38,619	17,007
Longer than 1 year and not longer than 5 years	9,479	9,479	-	-
Longer than 5 years	-	-	-	-
	64,249	32,229	38,619	17,007

26 Commitments

The Group has no material commitments.

27 Contingent liabilities and contingent assets

The Group has no material contingent liabilities and assets.

28 Risk management objectives and policies

Financial risk management objectives

The Group's operations are limited at present to mineral exploration. All investments in exploration are capitalised on project basis, which are funded by shareholders funds, fixed rate borrowings and contributions from the partners in joint venture. The Group's activity exposed it to a variety of financial risks including currency, fair value and liquidity risk. The Group seeks to minimise the effect of these risks on daily basis, though due to limited activity the Group has not applied policy of using any financial instruments to hedge these risks exposures.

Risk management is carried out by the Company under close board supervision.

Foreign currency risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to US Dollars and Russian Roubles. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. The Group's policy is not to enter into currency hedging transactions.

Interest rate risk

As the Group has no significant interest-bearing assets, the group's operating cash flows are substantially independent of changes in market interest rates.

The Group's interest rate risk arises from long term borrowings issued at fixed rates which expose the Group to fair value interest rate risk.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2007

Fair values

In the opinion of the directors, there is no significant difference between the fair values of the Group's and the Company's assets and liabilities and their carrying values

Credit risk

The Group's exposure to credit risk is limited to the carrying amount of financial assets recognised at the balance sheet date, as summarised below

	2007		2006	
	Group £	Company £	Group £	Company £
Non-current available-for-sale financial assets	125	-	127	-
Non-current loans	-	2,206,856	-	1,998,869
Trade and other receivables	193,426	148,165	217,685	147,433
Cash and cash equivalents	106,729	96,483	1,130,981	1,129,693
	300,280	2,451,504	1,348,793	3,275,995

The Company continuously monitors defaults by of the counterparties, identified either individually or by group, and incorporates this information into its credit risk control. Management considers that all of the above financial assets that are not impaired are of good credit quality

Liquidity risk

Ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, borrowing facilities, cash and cash equivalent by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities

	Current		Non-current	
	within 6 months £	6 to 12 months £	1 to 5 years £	later than 5 years £
2007				
Convertible loan notes	488,851	-	-	-
Minority shareholder loan	-	-	80,341	-
Trade and other payables	210,358	-	-	-
	699,209	-	80,341	-
2006				
Convertible loan notes	18,748	18,851	488,851	-
Minority shareholder loan	-	93,251	-	-
Trade and other payables	546,949	-	-	-
	565,697	18,851	582,102	-

The minority shareholder loan is repayable when and if the project reaches such an advanced stage of development that it can be repaid out of the proceeds of either the project's cash flow or through the direct or indirect disposal to a third party of an interest in the project

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For the year ended 31 December 2007

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities

	Current		Non-current	
	within 6 months	6 to 12 months	1 to 5 years	later than 5 years
	£	£	£	£
2007				
Convertible loan notes	488,851	-	-	-
Trade and other payables	183,119	131,083	-	-
	671,970	131,083	-	-
2006				
Convertible loan notes	18,748	18,851	488,851	-
Trade and other payables	522,938	131,083	-	-
	541,646	149,934	488,851	-

The tables above have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

The contractual maturities reflect the gross cash flows, which may differ to the carrying values of the liabilities at the balance sheet date.

Capital risk

At present the Group's capital management objective is to ensure the Group's ability to continue as a going concern. Capital is monitored on the basis of its carrying amount and summarised as follows:

	2007		2006	
	Group £	Company £	Group £	Company £
Total borrowings	548,944	468,604	509,475	427,567
Less cash and cash equivalents	(106,729)	(96,483)	(1,130,981)	(1,129,693)
Net debt	442,215	372,121	(621,506)	(702,126)
Total equity	1,749,151	1,995,591	2,460,571	2,521,043
Total capital	2,191,366	2,367,712	1,839,065	1,839,065
Gearing	20%	16%	(34%)	(38%)

Capital structure is managed depending on economic conditions and risk characteristics of underlying assets. In order to maintain or adjust capital structure, the Group may issue new shares and debt financial instruments or sell assets to reduce debt.

29 Events after the balance sheet date

Convertible loan notes (note 19) maturing on 31 March 2008 were extended for another 12 to 24 months in note holders' option. In May 2008 the Company entered into the agreement to issue loan notes for the total of £1,000,000 in stages over the 12 month period convertible into ordinary shares at the rate of £0.05 per share and to grant 40,000,000 warrants over the same period, exercisable at £0.05 per share.

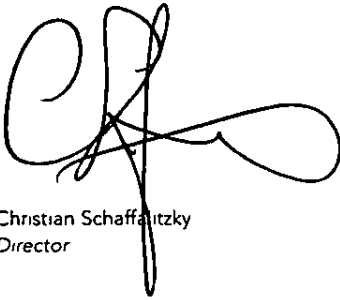
No adjusting or other significant non-adjusting events have occurred between the balance sheet date and the date of authorisation of the financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2007

30 Authorisation of financial statements

These financial statements were approved by the board on 24 June 2008 and were signed on its behalf by

A handwritten signature in black ink, consisting of a large, stylized 'C' followed by a series of loops and a long horizontal stroke.

Christian Schaffartzky
Director



EURASIA MINING PLC

("the Company")

NOTICE OF FOURTEENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the fourteenth Annual General Meeting of Eurasia Mining Plc ("the Company") will be held at The East India Club 16 St James's Square, London SW1Y 4LH on 23 July 2008 at 11 00 am for the following purposes

Ordinary Business

As ordinary business to consider and, if thought fit, pass the following as ordinary resolutions

- 1 To consider and approve the audited accounts for the period ended 31 December 2007 together with the Report of the Directors and the auditors thereon
- 2 To re-appoint Grant Thornton UK LLP as auditors of the Company to hold office until the conclusion of the next general meeting at which accounts are laid before the Company
- 3 To authorise the Directors to determine the remuneration of the auditors of the Company
- 4 To re-appoint as a Director, Mr Gary FitzGerald, who is required under the Articles of Association of the Company to retire by rotation and who is eligible for re-election
- 5 To re-appoint as a Director, Mr Dmitry Suschov, who was appointed during the year and who is eligible for re-election

Special Business

As special business, to consider and, if thought fit, pass the following resolutions which will be proposed as to resolutions 7 and 9 as special resolutions

- 6 THAT in substitution for all pre-existing authorities to the extent unused the Directors be and they are hereby generally and unconditionally authorised in accordance with section 80 of the Companies Act 1985 ("the 1985 Act") to allot relevant securities (as defined in 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) but so that such authority shall allow the Company to make offers or agreements before the expiry thereof which would or might require relevant securities to be allotted after the expiry of such authority and the Directors may allot relevant securities in pursuance of such an offer or agreement as if the authority had not expired, but this authority shall be in substitution for any authority previously given to the Directors under section 80 of the 1985 Act,
- 7 THAT subject to the passing of Resolution 6 above and in substitution for all pre-existing authorities to the extent unused the Directors be and they are hereby empowered pursuant to section 95 of the Companies Act 1985 ("the 1985 Act") to allot equity securities (within the meaning of section 94(2) of the 1985 Act) pursuant to the general authority conferred by Resolution 6 as set out in the notice of this meeting and/or to allot equity securities where such allotment of equity securities by virtue of section 94(5A) of the 1985 Act, for cash as if section 89(1) of the 1985 Act did not apply to any such allotment provided that this power shall be limited to the allotment of equity securities up to an aggregate nominal value of £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 offer or agreement as if the power conferred hereby had not expired This Resolution 7 is intended to be passed for the following purposes
 - (a) to enable rights issues, open offers or equivalent offers and the like to be implemented on a basis which enables the Directors to make arrangements to deal with (inter alia) fractional entitlements and overseas securities laws,
 - (b) to enable the issue of shares pursuant to share option schemes adopted by the Company and

(c) in addition to the above, authorising the issue of Ordinary Shares up to an aggregate nominal amount of £5,000,000

- 8 THAT the Company be authorised to send all documents, notices and information by electronic means (as such term is defined in section 1168 of the Companies Act 2006) including by means of a website and in all electronic forms
- 9 THAT, with effect from the passing of this resolution the Articles of Association set out in the document produced to this meeting and signed by the Chairman of the meeting for the purposes of identification be and are hereby approved and adopted as the Articles of Association of the Company in substitution for and to the exclusion of all existing Articles of Association of the Company

Dated 24 June 2008

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 Company's 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 21 July 2008 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.
- 7 The total number of ordinary shares of £7,053,819 in issue as at 18 June 2008 the last practicable day before printing this document was 141,076,381 ordinary shares and the total level of voting rights was 141 076 381 none of which were attached to shares held in treasury by the Company.
- 8 In order to facilitate voting by corporate representatives at the meeting arrangements will be put in place at the meeting so that (i) if a corporate shareholder has appointed the Chairman of the meeting as its corporate representative with instructions to vote on a poll in accordance with the directions of all of the other corporate representatives for that shareholder at the meeting, then on a poll those corporate representatives will give voting directions to the Chairman and the Chairman will vote (or withhold a vote) as corporate representative in accordance with those directions, and (ii) if more than one corporate representative for the same corporate shareholder attends the meeting but the corporate shareholder has not appointed the Chairman of the meeting as its corporate representative a designated corporate representative will be nominated from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative. Corporate shareholders are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives - www.icsa.org.uk - for further details of this procedure. The guidance includes a sample form of representation letter if the Chairman is being appointed as described in (i) above. A letter in this form would be acceptable to the Company and its Registrars.
- 9 CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s) who will be able to take the appropriate action on their behalf.
- 10 In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with CRESTCo's specifications and must contain the information required for such instruction, as described in the CREST Manual.
- 11 CREST members and where applicable their CREST sponsors, or voting service providers should note that CRESTCo does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection CREST members and, where applicable their CREST sponsors or voting system providers are referred in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
- 12 Copies of the service contracts and letters of appointment of each of the Directors will be available for inspection at the registered office of the Company during usual business hours on any weekday (Saturdays and public holidays excluded) and at the place of the Annual General Meeting from at least 15 minutes prior to and until the conclusion of the Annual General Meeting.

Appendix

Amendments to the Articles

1 Articles which duplicate statutory provisions

Provisions in the Current Articles which replicate provisions contained in the Companies Act 2006 are in the main amended to bring them into line with the Companies Act 2006. This is in line with the approach advocated by the Government that statutory provisions should not be duplicated in a company's constitution. Certain examples of such provisions include provisions as to the form of resolutions, the requirement to keep accounting records and provisions regarding the period of notice required to convene general meetings. The main changes made to reflect this approach are detailed below.

2 Form of resolution

The Current Articles contain a provision that, where for any purpose an ordinary resolution is required, a special or extraordinary resolution is also effective and that, where an extraordinary resolution is required, a special resolution is also effective. This provision is being removed as the concept of extraordinary resolutions has not been retained under the Companies Act 2006. Further, the remainder of the provision is reflected in full in the Companies Act 2006.

3 Age of directors on appointment

The Current Articles contain a provision requiring, inter alia, that the board notify a general meeting where the appointment / reappointment of a director is being considered and that the director in question has reached the age of 70. Such provision could now fall foul of the Employment Equality (Age) Regulations 2006 and so has been removed from the New Articles.

4 Conflicts of interest

The Companies Act 2006 sets out directors' general duties which largely codify the existing law, but with some changes. Under the Companies Act 2006, from 1 October 2008 a director must avoid a situation where he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict with the company's interests. The requirement is very broad and could apply, for example, if a director becomes a director of another company or a trustee of another organisation. The Companies Act 2006 allows directors of public companies to authorise conflicts and potential conflicts where the Articles of association contain a provision to this effect. The Companies Act 2006 also allows the Articles to contain other provisions for dealing with directors' conflicts of interest to avoid a breach of duty. The New Articles give the directors authority to approve such situations and to include other provisions to allow conflicts of interest to be dealt with in a similar way to the current position. There are safeguards which will apply when directors decide whether to authorise a conflict or potential conflict. First, only directors who have no interest in the matter being considered will be able to take the relevant decision, and secondly, in taking the decision the directors must act in a way they consider, in good faith, will be most likely to promote the company's success. The directors will be able to impose limits or conditions when giving authorisation if they think this is appropriate.

5 Notice of election of a Director

The Articles have been amended so that the notice referred to therein, in relation to election of a person to the office of Director at a general meeting, must be given to the Secretary not less than seven and not more than thirty five, as opposed to twenty eight, clear days before the meeting.

6 Records to be kept

The provision in the Current Articles requiring the board to keep accounting records has been removed as this requirement is contained in the Companies Act 2006.

7 Electronic and web communications

Provisions of the Companies Act 2006 which came into force in January 2007 enable companies to communicate with members by electronic and/or website communications. The New Articles continue to allow communications to members in electronic form and, in addition, they also permit the Company to take advantage of the new provisions relating to website communications. Before the Company can communicate with a member by means of website communication, the relevant member must be asked individually by the Company to agree that the Company may send or supply documents or information to him by means of a website, and the Company must either have received a positive response or have received no response within the period of 28 days beginning with the date on which the request was sent. The Company will notify the member (either in writing, or by other permitted means) when a relevant document or information is placed on the website and a member can always request a hard copy version of the document or information.

8 Directors' indemnities and loans to fund expenditure

The Companies Act 2006 has in some areas widened the scope of the powers of a company to indemnify directors and to fund expenditure incurred in connection with certain actions against directors. In addition, the existing exemption allowing a company to provide money for the purpose of funding a directors defence in court proceedings now expressly covers regulatory proceedings and applies to associated companies. The Auditors indemnity has also been removed.

9 General

Generally the opportunity has been taken to bring clearer language into the New Articles and in some areas to conform the language of the New Articles. The Articles will be further reviewed after the final provisions of the 2006 Act come into force in October 2009.

EURASIA MINING PLC

FORM OF PROXY

I/We

of

(Please insert full name(s) and address(es) in block letters - see Note 1 below)

being (a) member(s) / a person nominated by (a) member(s) of the above-named Company to exercise the right to appoint a proxy, pursuant to Articles of association of the Company, hereby appoint the Chairman of the meeting or

of

(See Note 3 below)

as my/our proxy or proxies to vote for me/us and on my/our behalf at the annual general meeting of the Company to be held on 23 July 2008 at 11 00am and at any adjournment of that meeting and to vote at that meeting as indicated below Please indicate how you wish your proxy or proxies to vote by inserting "X" in the box below Where no "X" is inserted, and on any other resolutions proposed at the meeting, your proxy will vote or abstain from voting as he/she thinks fit

RESOLUTIONS	FOR	AGAINST	VOTE WITHHELD	DISCRETIONARY
1 To approve Accounts for the year ended 31 December 2007				
2 To re-appoint Grant Thornton LLP as auditors of the Company				
3 To authorise the Directors to determine the remuneration of the auditors of the Company				
4 To re-appoint Mr Gary FitzGerald as a Director				
5 To re-appoint Mr Dmitry Suschov as a Director				
6 To authorise the Directors to allot relevant securities pursuant to section 80 of the Companies Act 1985				
7 To authorise the Directors to allot equity securities pursuant to section 95 of the Companies Act 1985				
8 To authorise the company to communicate using electronic means				
9 To amend the company's articles of association				

Signed

Dated

Full name and address

PLEASE COMPLETE IN BLOCK CAPITALS

NOTES

- To appoint as a proxy a person other than the Chairman of the meeting insert the full name in the space provided. A proxy need not be a member of the Company. You can also appoint more than one proxy provided each proxy is appointed to exercise the rights attached to a different share or shares held by you. The following options are available:
 - To appoint the Chairman as your sole proxy in respect of all your shares simply fill in any voting instructions in the appropriate box and sign and date the Form of Proxy
 - To appoint a person other than the Chairman as your sole proxy in respect of all your shares, delete the words 'the Chairman of the meeting (or)' and insert the name of your proxy in the spaces provided. Then fill in any voting instructions in the appropriate box and sign and date the Form of Proxy
 - To appoint more than one proxy, you may photocopy this form. Please indicate the proxy holder's name and the number of shares in relation to which they are authorised to act as your proxy (which in aggregate should not exceed the number of shares held by you). Please also indicate if the proxy instruction is one of multiple instructions being given. If you wish to appoint the Chairman as one of your multiple proxies simply write 'the Chairman of the Meeting'. All forms must be signed and should be returned together in the same envelope.
- Unless otherwise indicated the proxy will vote as he thinks fit or at his discretion abstain from voting.
- The Form of Proxy below must arrive not later than 48 hours before the time set for the meeting at to The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU during usual business hours accompanied by any Power of attorney under which it is executed (if applicable).
- A corporation must execute the Form of Proxy under either its common seal or the hand of a duly authorised officer or attorney.
- The Form of Proxy is for use in respect of the shareholder account specified above only and should not be amended or submitted in respect of a different account.
- The 'Vote Withheld' option is to enable you to abstain on any particular resolution. Such a vote is not a vote in law and will not be counted in the votes For and Against a resolution.
- Shares held in uncertificated form (i.e. in CREST) may be voted through the CREST Proxy Voting Service in accordance with the procedures set out in the CREST manual.
- Completion and return of the Form of Proxy will not preclude you from attending and voting in person at the Meeting should you subsequently decide to do so.
- If you prefer, you may return the proxy form to the Registrar in an envelope addressed to FREEPOST RLYX GZTU KRRG, Capita Registrars (Proxies), 34 Beckenham Road, Beckenham, Kent BR3 9ZA.

FOLD 1

FOLD 2

BUSINESS REPLY SERVICE
Licence No MB122



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

FOLD 3
(then turn in)

Company Information

Directors

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

Secretary

M J de Villiers

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Russian Office

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Company Number 3010091

ADVISERS

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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
One Wood Street
London EC2V 7WS

Nominated Adviser and Stockbrokers

W H Ireland Limited
24 Martin Lane
London EC4R 0DR

and

11 St James's Square
Manchester M2 6WH

Financial Advisers

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



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