GEOLOGY AND EXPLORATION REPORT
YEAR ENDED 30th JUNE 2007

AMANTAYTAU GOLDFIELDS (AGF) –UZBEKISTAN

Exploration

Exploration activities were severely cut back during the period due to financial disruptions. None of the planned regional work to follow up the generative work done the previous year was done. Nor were any holes drilled to identify extensions of the sulphides at Severny or Centralny. Fortunately however, grade control drilling of the upper benches of the Asaukak Pit was completed before the disruption resulting from the State Audit. Grade control has therefore continued without further Reverse Circulation ("RC") drilling and at both Asaukak and Vysokovoltnoye increased trench / rip-line sampling has been carried out.

Commencement of the programme of further trenching and RC drilling of deposits for heap-leaching in the Asaukak area was delayed, but is now scheduled to proceed following a refurbishment of the RC drilling rig.

Core drilling using AGF's CS14 drill rig has been carried out on a single shift basis during much of the period to assist in further engineering and metallurgical development work. An additional benefit of these programmes was the training of AGF's Uzbek drillers on operating the rig.

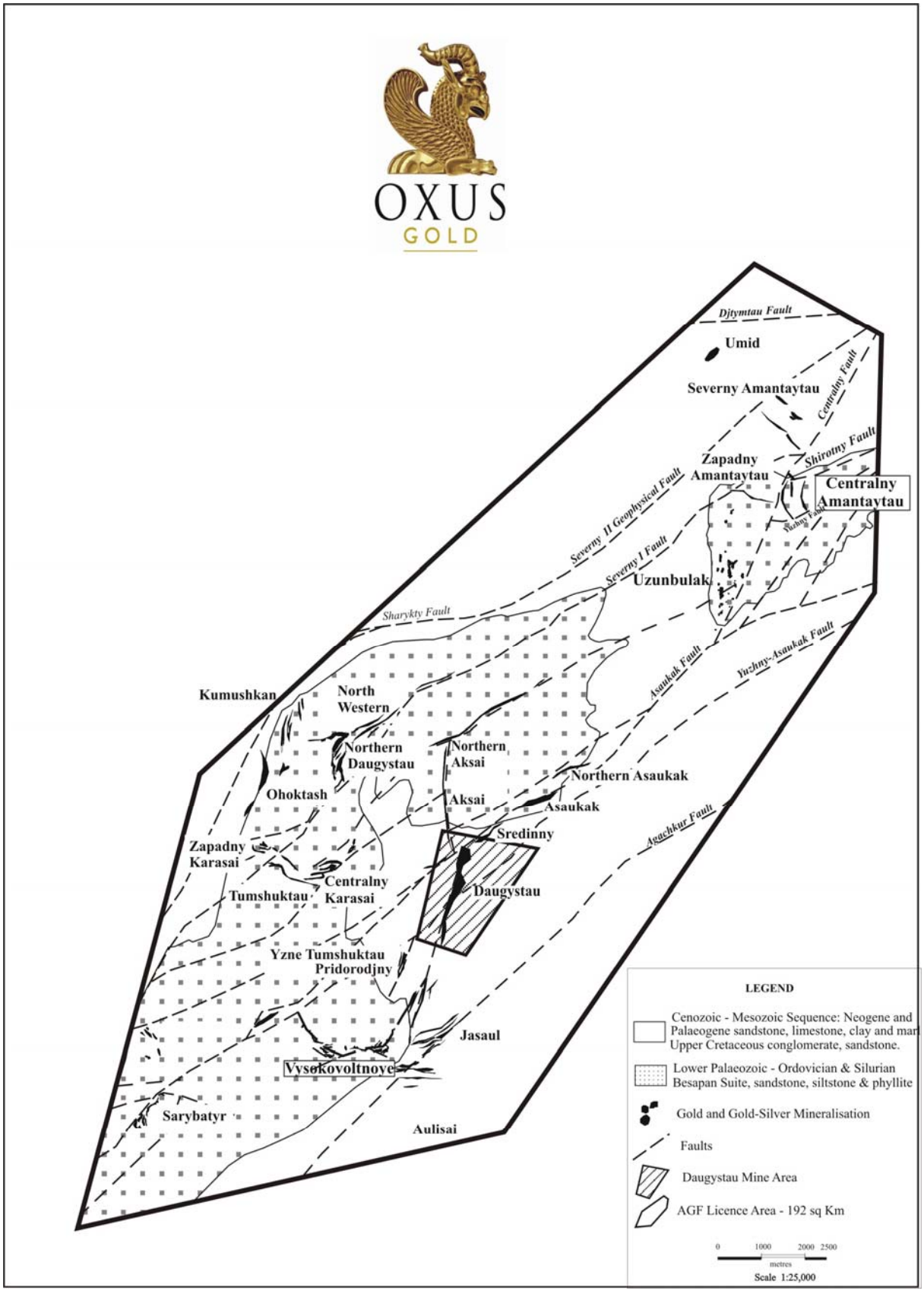
The separate programmes were:

- Geotechnical drilling (7 holes totalling 645 metres – in addition to that reported last year) to determine rock conditions along the line of the proposed access declines for the Amantaytau Severny underground mine. The drilling was directed at identifying how the rock conditions varied with depth, and to confirm the positions of predicted faults and dykes beneath the Mesozoic cover rocks;

- Drilling to obtain core (5 holes totalling 297 metres) for metallurgical samples in the 'graphitic / transition / oxidized sulphidic ores and primary ores below the mined out oxides in the Amantaytau Centralny pits. The drill core was logged and classified into separate 'mineralogical / metallurgical' sub-types for further testwork, in order to more specifically determine metallurgical characteristics as part of the open-pit sulphide engineering programme;

- Four holes totalling 210 metres were drilled at Vysokovoltnoye to intersect the transition zone from oxides to sulphides, around the base of the designed open-pit, and provide drill core for detailed geological logging, analysis and metallurgical testwork. This programme will be continued, so as to determine in more detail the relationship between specific rock units and heap-leach recoveries of silver and gold, in advance of pit development and grade control work.

- At the western end of the Asaukak open-pit, 8 holes totalling 400 metres have been drilled to test a potential extension of mineralization between the existing pit and a fault zone. This is not expected to be of particularly high grade, but could potentially provide additional feed for heap-leaching.


OXUS
GOLD
Djtymtau Fault
Umid
Severny Amantaytau
Centralny Fault
Shirotny Fault
Zapadny Amantaytau
Centralny Amantaytau
Severny II Geophysical Fault
Severny I Fault
Uzunbulak
Sharykty Fault
Asaukak Fault
Yuzhny-Asaukak Fault
Kumushkan
North Western
Northern Daugystau
Northern Aksai
Northern Asaukak
Ohoktash
Aksai
Asaukak
Agachkur Fault
Sredinny
Zapadny Karasai
Centralny Karasai
Tumshuktau
Daugystau
Yzne Tumshuktau
Pridorodjny
Jasaul
Vysokovoltnoye
Sarybatyr
Aulisai
LEGEND
Cenozoic - Mesozoic Sequence: Neogene and Palaeogene sandstone, limestone, clay and marl Upper Cretaceous conglomerate, sandstone.
Lower Palaeozoic - Ordovician & Silurian Besapan Suite, sandstone, siltstone & phyllite
Gold and Gold-Silver Mineralisation
Faults
Daugystau Mine Area
AGF Licence Area - 192 sq Km
0 1000 2000 2500
metres
Scale 1:25,000

Future Objectives

AGF's short term strategy in terms of exploration and development going forward will focus on the specific projects and the recruitment of additional staff and contractors required to manage geological and engineering aspects. Of priority are:

- Geostatistical remodelling of the Amantaytau Centralny sulphides at a lower cut-off grade for open pit mining, followed by pit optimization and detailed design. This work has commenced subsequent to the year end, and resource and open pit reserves are to be revised accordingly

- Preparation for Amantaytau Severny underground access development, further underground exploration and stope definition drilling

- Further trenching, and following RC rig refurbishment, drilling of deposits for heap-leaching in the Asaukak area (Aksai, North Asaukak, Sreddiny, Aksai North, Daugystau North and Karasai West), followed by modelling, pit design and engineering

- Ongoing exploration around Vysokovoltnoye to further optimise and extend the life of the Vysokovoltnoye heap-leach operation.

AGF's longer term strategy is still to realise the full exploration potential within the lease area. There is significant upside potential throughout the licence as heap leach satellites and as extensions of the sulphide bodies at Severny and Centralny and beneath other known oxides. As discussed in some detail in last years annual report, several gaps defined previously from the target generation and satellite imagery will be drill tested as the funding scenario improves.

OTHER AREAS OF INTEREST

Turkey

Following the sale of Marakand's right to an option relating to the Karakilise copper project to KazakhGold and the sale of the 25% interest in Hatay Madencilik SA and related copper/gold exploration licence to KazakhGold, Oxus have nothing to report on this area.

Ukraine and Eastern Europe

Following the termination of the agreement with EuroGold in June of last year, Oxus planned to continue to look for opportunities in Eastern Europe, and particularly in the Ukraine, out of its Kiev office. A significant amount of geological data was collected and site visits to several areas of assumed potential were undertaken throughout the Ukraine. However, because of the change of focus towards the acquisition of the Baia Mare assets in Romania combined with the deteriorating cash flow resulting from the situation at AGF, it was decided to close the Kiev office early in 2006 and no further exploration work was done. Subsequently Oxus' share of the Romanian assets was sold on to KazakhGold.

Kyrgyzstan

Following the sale of the Jerooy assets to KazakhGold there is nothing to report on this project.

Future Objectives

OxusGold will focus its activities in Uzbekistan and in particular on the deep sulphides and other potential on AGF in the near future. Opportunities elsewhere will be considered as they arise.