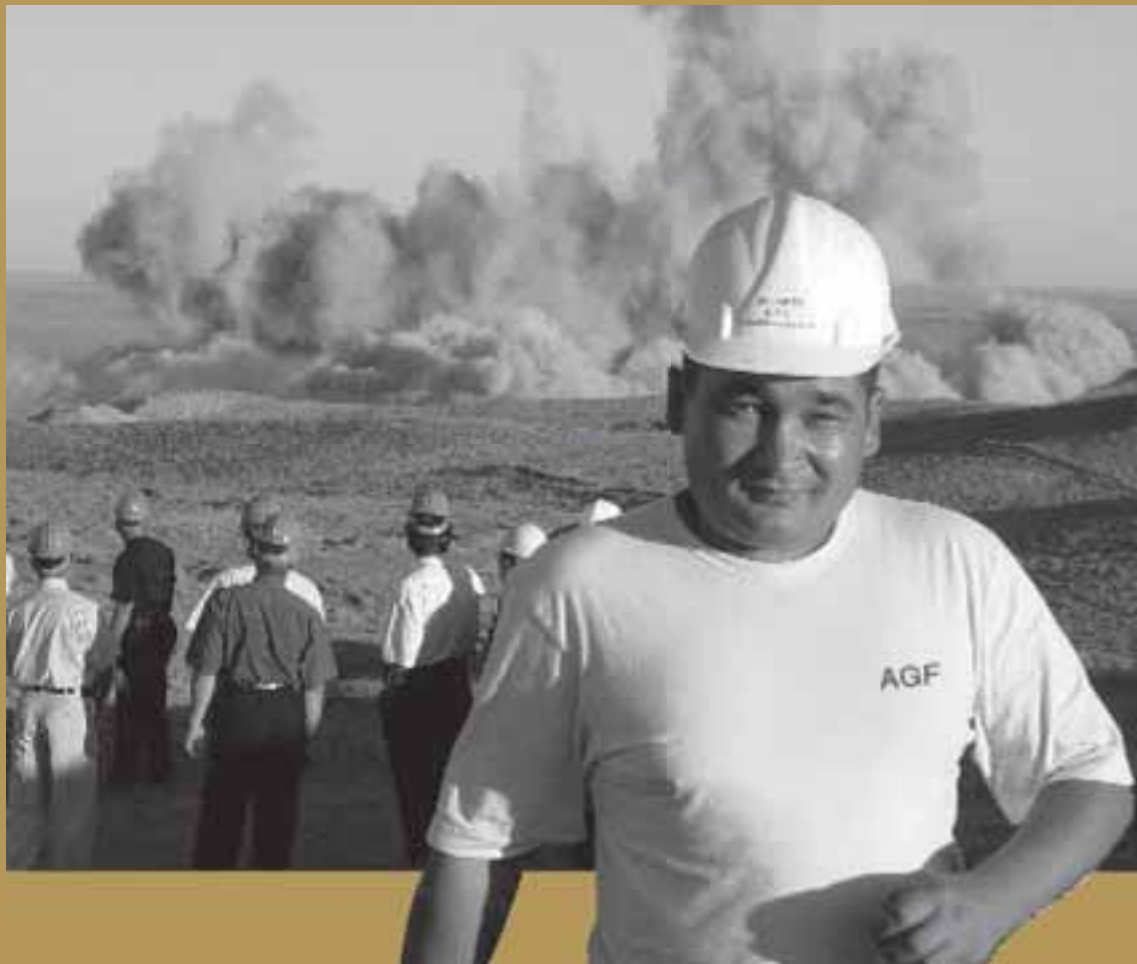


ANNUAL REPORT & ACCOUNTS 2005
RICH IN NATURAL RESOURCES



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CORPORATE HIGHLIGHTS

- \$4.76 million gross profit for the year; \$2.28 million retained profit
- AGF produced 166,318 ounces in the year ended 30 June 2005
- Mining commenced at the Vysokovoltnoye silver and gold heap leach deposit
- Amantaytau sulphides feasibility study completed
- Amantaytau project finance lenders repaid
- Successful fund-raising of \$59.3 million to fund Jerooy development
- Construction of Jerooy gold mine well advanced
- Credit approval obtained for \$20 million corporate credit facility



CORPORATE PROFILE

The Oxus Group was established in 1996 and quoted on the Alternative Investment Market (AIM) in London in 2001.

Oxus Gold plc is a UK-based international mining group with gold mining interests in Central Asia. The Group was established in 1996 and its shares were listed on the Alternative Investment Market (AIM) of the London Stock Exchange in 2001.

Oxus is the joint owner (50/50) with the government of Uzbekistan of Amantaytau Goldfields (AGF) which is developing several mining operations in the Tien Shan gold belt near Zarafshan. The first mine was constructed and commissioned by Oxus in January 2004 on time and within budget and commercial production began the following month.

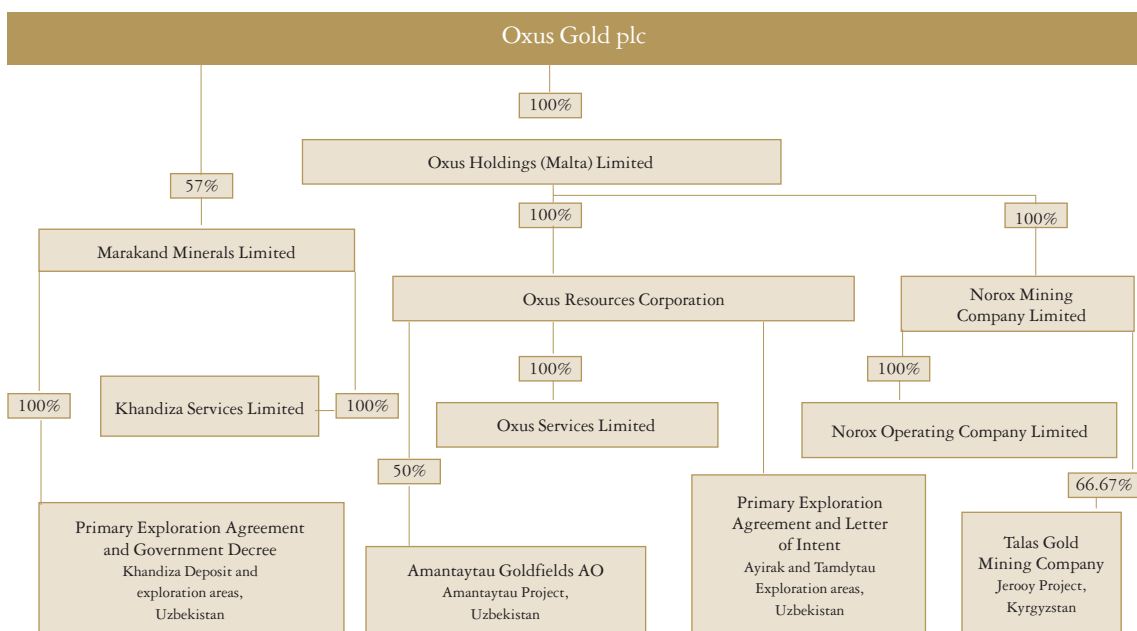
AGF has since produced more than 270,000 ounces of gold to the end of September 2005 and is now producing at the planned rate of 151,000 ounces per annum.

Oxus started its second mine on the AGF licence area at the Vysokovoltnoye silver and gold heap leach deposit with the first mining blast on 24 August 2005. The ore was placed on the heap leach pads at the beginning of September and mineralised solution was fed to the plant at the end of September with the first bar of gold/silver dore being produced in early October. Full production is scheduled for January 2006 at a planned mine production

of 21,000 ounces of gold and 2,469,000 ounces of silver per annum. The capital cost of the project is \$9.1 million, which is low because of the existing infrastructure at AGF. It is expected that the cash costs of metal production will be approximately \$160 per ounce.

Initial construction work on the third operation at AGF, the sulphide mining project, has commenced and includes underground refurbishment and development access. During the first four years the project is expected to produce in excess of 180,000 ounces of gold annually, commencing Q1 2007, at a direct operating cost of \$167 per ounce, and an average of 150,000 ounces of gold annually over the estimated 13-year life of mine, at a direct operating cost of \$194 per ounce. Pre-production capital expenditure is estimated at \$88 million.

In the Kyrgyz Republic Oxus is developing the Jeroy gold deposit which is the largest unexploited gold deposit in the Kyrgyz Republic. It has a reserve of 9.88 million tonnes of ore at a grade of 7.5 g/t gold containing 2.38 million ounces of gold. The Group owns 66.7% of Talas Gold Mining Company, and the balance is held by Kyrgyzaltyn (Kyrgyz State Mining Enterprise). The deposit is located in the Talas Region, some 190 kms west of the capital city Bishkek, and is to be mined



by both open-pit and underground methods. It has an initial mine life of 12 years, with an additional four years of potential in the inferred category of resources.

Negotiations with the Kyrgyz Government are ongoing with regard to the status of the mining licence and Oxus has continued with construction with the full knowledge of the Kyrgyz Government. Construction started in mid-2004 and the mine is expected to start production in the second quarter of 2006 at an annual rate of 180,000 ounces.

Oxus has now spent \$27 million at Jerooy, including \$17 million out of the \$59 million raised last December to complete the construction.

Oxus has signed a co-operation agreement with the Navoi Mining and Metallurgical Combinat to work together with a view to developing the Kosmanachi silver/gold

deposit situated near the AGF mine. The project has been extensively explored and is estimated to contain Soviet classified resources in the C1 and C2 categories of at least 40 million ounces of silver at an average grade of 105 g/t and 270,000 ounces of gold at an average grade of 0.5 g/t.

Oxus has a 57% interest in Marakand Minerals Limited which is developing the Khandiza poly-metallic deposit in Uzbekistan and which has a JORC classified measured and indicated resource above a 2% zinc cut-off of 11.83 million tonnes at an average grade of 7.66% zinc, 3.65% lead, 0.95% copper, 129 g/t silver and 0.38 g/t gold.

Between AGF, Marakand Minerals and Jerooy the Group has total resources of more than 640 million ounces of silver and 51.7 million ounces of gold and reserves of over 45 million ounces of silver and 5.4 million ounces of gold.

VISION

Our vision for Oxus is to grow the company into a serious and focused gold producer.

We plan to achieve unhedged group gold production of at least 1 million ounces per annum by 2008, with at least 500,000 ounces attributable to Oxus. With our

commitment and dedication and a clear plan and focus, we intend to deliver increasing value for shareholders in terms of capital appreciation and dividend payments.

STRATEGY

The strategy to achieve our vision is already in place with a dedicated and experienced team with proven successes in the global mining arena.

We intend to grow the company further by diversifying our geographic profile, completing our exploration programme and providing up to 20 million ounces of gold potential on our existing prospects, while remaining in the lowest cost quartile of industry producers.

This vision and strategy will be driven by

- Increasing production at Amantaytau with the development of several new operations

- Bringing Jerooy into production
- Converting resources into mineable reserves through a major impetus on exploration in the AGF licence area and elsewhere
- Seeking out and developing other operations in Europe and Asia.



CHAIRMAN'S LETTER

2005 has been an exciting, if challenging, year for Oxus.

Shareholders will recall that following the Annual General Meeting last December Michael Beckett stood down as Chairman as he was not able to continue as a non-executive director with the considerable pressures on his time arising from his executive responsibilities elsewhere.

Oliver Prior and I were both re-elected to the Board at the meeting and I have been acting as Chairman, pending the appointment of a successor to Mr Beckett. The process of selecting a successor is underway but, in the circumstances, it seemed to be appropriate for me to write to shareholders at this time.

Developing and commissioning a new mine and then managing its production requires a wide range of skills and experience and the Company is fortunate in having enthusiastic and dedicated teams working for it in Uzbekistan and Kyrgyzstan, some of whom are featured in this annual report.

Their efforts and those of management have been rewarded with a near-doubling of group revenue, including attributable joint-venture income, for the period ended 30 June 2005 to \$10.11 million from \$5.67 million and an audited profit on ordinary activities of \$3.48 million.

Net assets also doubled to \$135.59 million from \$73.44 million in 2004 and cash balances increased more than four-fold to \$34.83 million, from \$5.54 million last year, as a result of the successful fund-raising by the Company last December when it received a total of \$59 million gross to complete the construction of the Jerooy gold mine in Kyrgyzstan.

An important event in the year was the official opening in September 2004 of Oxus's first gold mine at Amantaytau Goldfields (AGF), which produced a total of 270,000 ounces by 20 September 2005, 50% of which is attributable to Oxus. AGF was not able to benefit fully from the rise in the world gold price this year as much of its production has been dedicated to reducing the hedge position and, as a result, the average price received was significantly below the average market price for the year. However, the hedge position will be cleared during November 2005 enabling AGF to receive income at the average market price in 2006 and future years.

In recent weeks Oxus has started production at the Vysokovoltnoye gold and silver heap leach project in Uzbekistan. Mining of ore started on 24 August, and the first dore of silver and gold was produced in October. Full production is scheduled for January next year and planned mine production is 21,000 ounces of gold and 2,469,000 ounces of silver per annum.

Elsewhere in this report, you will read about the Amantaytau Phase Two Sulphide project where initial construction has commenced with work on underground refurbishment and development access. This is not a 'greenfield' project. The shaft is already in place and consequently a large part of the normal capital expenditure has already been made.

The project is designed to mine the deeper sulphide extensions to the oxide ore-bodies currently being mined by open-pit methods by AGF at Centralny and to mine the underground Severny ores. Combined, they contain 2.42 million ounces of gold (at a cut-off of 3.5 g/t Au). During the first four years the project is expected to produce in excess of 180,000 ounces of gold annually at a direct operating cost of \$167 per ounce.

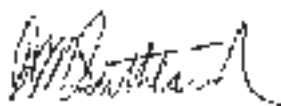


A further significant event was the signing of a co-operation agreement with the Navoi Mining and Metallurgical Combinat to work together with a view to developing the Kosmanachi silver/gold deposit situated near the AGF mine in Uzbekistan. The project has been extensively explored with Soviet classified resources of at least 40 million ounces of silver and 270,000 ounces of gold.

While the developments mentioned above are all most positive to the continuing growth of Oxus, it is disappointing that despite continuous discussions with the Kyrgyz Government, the political issue over the Jerooy licence has not been resolved. As you will read in the Chief Executive's review we believe we have complied with the terms of the agreement with the Kyrgyz Government for the reinstatement of the licence and are looking for this issue to be satisfactorily resolved as soon as possible.

Despite the unresolved position over Jerooy, the positive achievements thus far and the opportunities described above, together with the significant increase in shareholders' funds, and the Group's strong cashflow give us great confidence in the next phase of Oxus's development and will, I am sure, provide increasing shareholder value in the years ahead.

The Chief Executive in his review gives more information on these activities but I think shareholders have reason to congratulate the directors and management on a successful year.



Douglas Sutherland
Acting Chairman



CHIEF EXECUTIVE OFFICER'S REVIEW

This last year has been a very eventful and challenging period for Oxus Gold which has seen our first complete year of gold mining operations at the Amantaytau Goldfields Oxides project and culminated in our producing 166,318 ounces of gold and being able to report a net profit of \$2.28 million.

We were able to report a rise in Group revenue, including attributable joint-venture income, for the 12-month period ended 30 June 2005 to \$10.11 million (2004: \$5.67m) and an audited profit on ordinary activities of \$3.48 million (2004: \$11.43m), and \$2.28 million (2004: \$10.89m) after tax and minority interests. The profit in the comparable period of 2004 reflected the net gain of \$12.25 million from the sale of a minority interest in Marakand Minerals Limited.

Net assets also doubled to \$135.59 million from \$73.44 million in 2004 and cash balances increased more than four-fold to \$34.83 million (2004: \$5.54m). This figure includes the residue, net of expenses, of the \$26.4 million raised in December 2004 through the issue of 27.2 million new shares, and the issue of \$32.9 million of convertible redeemable loan notes, which were held in escrow at 31 December 2004, over 99% of which were subsequently converted into the Company's ordinary shares. As a result of the conversion Oxus issued 33,970,000 new ordinary shares to holders of the loan notes and the total number of shares in issue at 30 June 2005 was 287,017,343.

Amantaytau Goldfields in Uzbekistan contributed \$6.44 million (2004: \$3.74m) towards the consolidated revenue, being the Group's 50% attributable share of profits for the 12-month period.

OPERATIONS

Amantaytau Goldfields Oxides Project

A highlight of the year was the official opening in September 2004 of our first gold mine at Amantaytau Goldfields (AGF), near Zarafshan in Uzbekistan and a visit from His Royal Highness, Prince Michael of Kent in April 2005. AGF commenced commercial gold production in February 2004 and produced a total of 226,000 ounces between then and our year end

of 30 June 2005, and a further 44,000 ounces by 20 September 2005, 50% of which is attributable to Oxus.

The following table summarises the results of AGF operations for the year to 30 June 2005:

	Year ended 30 June 2005	Year ended 30 June 2004
Ore mined, tonnes	1,407,200	475,800
Ore processed, tonnes	1,225,600	413,100
Average grade (g/t)	5.3	5.2
Average gold recovery %	79.1	85.9
Gold produced – ounces	166,318	59,689
Average cash cost \$ per oz *	177	133
Average total cost \$ per oz	225	182
Average gold price received	\$338	\$323
Net Profit after tax and		
Debt service	\$12.872m	\$7.496 m

*Calculated in accordance with the Gold Institute's Production Cost Standard.

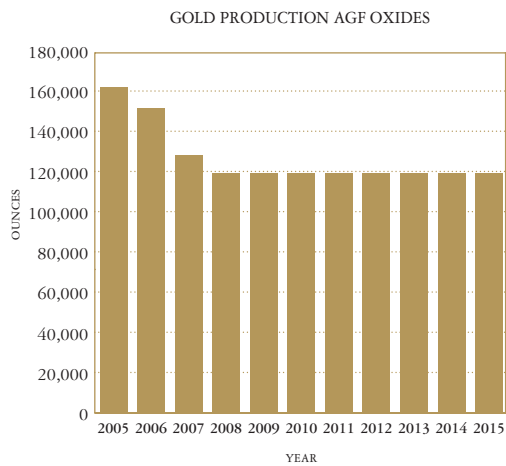
During its first full year of operation AGF has been able to achieve significantly higher production from the plant than anticipated and, as a result, it has been decided it is no longer necessary to proceed with the installation of additional milling capacity, at a saving of \$9 million.

The recovery factor of 79.1% was lower than the previous year due to the increased treatment of transitional ore through the plant.

Test work was conducted throughout the year on all the factors that are recognised as contributions to poor recovery. Gold that was unrecoverable in the residue was predominantly associated with sulphide or sulphide and arsenopyrite decomposition products, consistent with the treatment of transitional material.



AGF's operating costs increased during the year, largely as a result of price rises, such as that for diesel fuel which has increased by nearly 400% during the year, which are outside the Company's control. But cash costs are still significantly below the world average figure of \$260 an ounce, and within the lowest quartile of world production costs.



As of 20 September 2005, AGF's hedge book has reduced to 20,938 ounces representing 7.9% of the initial hedge commitment. The original \$35 million project finance loan has been repaid to the lending syndicate, with \$17.9 million being repaid during the year (2004: \$2.0 million). Amantaytau Goldfields repaid a further \$6.7 million after the year end, and the Company bought out the balance of the debt of \$8.4 million. It is expected that the gold hedge will be repaid almost three months ahead of schedule.

AGF has not been able to benefit fully from the rise in the world gold price as much of its production has been dedicated to reducing the hedge position. Consequently, the average price received of \$338 was significantly below the average market price for the year of \$419.13. It is a notable achievement for AGF to be able to repay all of its debts within such a short period and still report a profit, while operating within the unfavourable price environment of the gold hedge position.



“ It is very cold here in winter which can lead to some hardship but I can be sure that this winter I will be able to clothe and feed my family thanks to AGF paying better wages, the best in the region.”

ABDUL ALI SHERMATOV
SITE FOREMAN VYSOKOVOLTNOYE



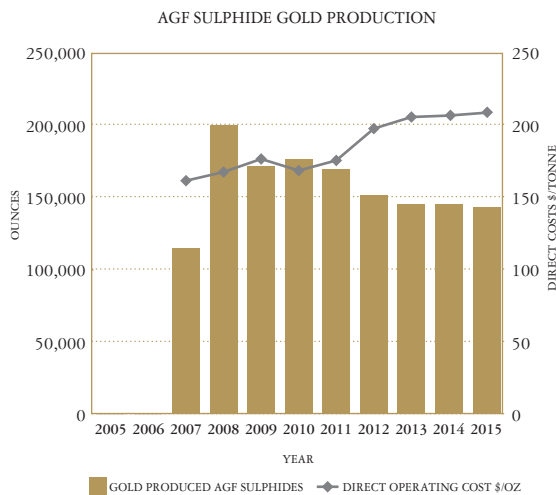
CHIEF EXECUTIVE OFFICER'S REVIEW CONTINUED

We look forward to 2006 when, as an un-hedged producer, AGF should receive the average market price.

DEVELOPMENTS

Amantaytau Goldfields Sulphides project

The feasibility study by Wardell Armstrong International of the Amantaytau Phase 2 Sulphide project in Uzbekistan and the ten shaft refurbishment is complete, and initial construction has commenced with work on underground refurbishment and development access. This is not a 'greenfield' project and consequently a large part of the normal capital expenditure has already been made.



This is undoubtedly a world class project which is designed to mine the deeper sulphide extensions to the oxide ore-bodies currently being mined by open-pit methods by AGF at Centralny and to mine the underground Severny ores. Combined, they contain mineable reserves of 9.72 million tonnes at an average grade of 7.75 grammes per tonne (g/t) containing 2.42 million ounces of gold (at a cut-off of 3.5 g/t Au) within a total resource of 17.73 million tonnes at an average grade of 6.84 g/t, and containing 3.90 million ounces at zero cut-off grade.

During the first four years the project is expected to produce in excess of 180,000 ounces of gold annually at a direct operating cost of \$167 per ounce. Over the estimated 13-year life of the mine it is expected to produce an average of 151,000 ounces of gold annually at a direct operating cost of \$194 per ounce. Oxus' attributable interest in this project is 50%. Pre-production capital expenditure is estimated at \$88 million. Based on a gold price of \$450 per ounce and using a 10% discount

rate, the feasibility study gives a project NPV of \$188.8 million (ungeared) and an IRR of 117.2%.

Underground mining will utilize modern trackless methods and truck haulage both via shaft access and a ramp from surface to exploit the sulphide deposits. The existing production shaft has been refurbished to gain access to former workings and refurbishment of the primary underground level is underway to access the ore. Mine development and design is expected to begin before the end of 2005 for the 750,000 tonne per annum sulphide bio-oxidation plant.

The reserves are held within two mineralised zones known as Centralny and Severny. At Centralny there are six defined ore-bodies, with ore-body 8 showing consistently high gold grades, up to several hundreds of g/t in places, over a strike length of 420 metres. At Severny there are eight mineralised zones with the largest and longest being traced over a strike length from 400 metres to 700 metres.

The underground ore-bodies are open at depth and Oxus believes that there is large potential to increase reserves. An earlier drilling programme by the former Soviet operators intersected mineralisation 500 metres below the lower limit of the current resources (about 870 metres below surface) comprising an interval of 8 metres thick at 51.6 g/t gold with grades of up to 72g/t.

A major underground and surface drilling programme is imminent with the recent arrival of two new core drill rigs to site, to target deeper known extensions of the deposits with the objective of substantially increasing resources and reserves.

Amantaytau Goldfields Vysokovoltnoye project

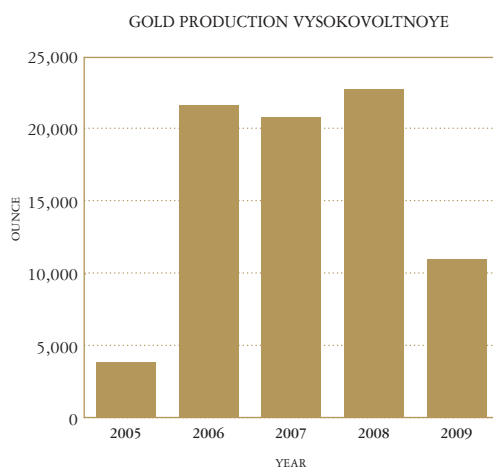
AGF has started mining at its second operation in Uzbekistan at the Vysokovoltnoye silver and gold heap leach project. Vysokovoltnoye is an open pit mine and forms part of the AGF licence area and is 30 kms away from AGF's existing Amantaytau mining operations.

The first mine blast took place on 24 August 2005 and ore is initially being stockpiled pending completion of construction and commissioning of the process plant. The plant produced its first silver and gold on 7 October 2005.



Vysokovoltnoye has mineable reserves of 1.66 million tonnes at grades of 127 g/t Ag and 1.13 g/t Au for ore body number 7 and 2.33 million tonnes at grades of 27g/t Ag and 1.24g/t Au for ore-body number 4. Ongoing work aimed at defining extensions of the zones may considerably increase the resource base for future growth.

Both ore bodies have low stripping ratios. After commissioning, production build-up has now started and full production is expected by January 2006. The planned mine production is targeted at 21,000 ounces of gold and 2,469,000 ounces of silver per annum.



The capital cost of the project is low at \$9.1 million, which has been kept to a minimum due to the existing infrastructure at AGF. It is expected that the cash costs of metal production in terms of gold equivalent will be approximately \$160 per ounce.



JEROOY

At Jerooy in the Kyrgyz Republic negotiations with the Kyrgyz Government are ongoing with regard to the status of the mining licence. The Government of the Kyrgyz Republic purportedly cancelled the licence to operate this mine in August 2004. Oxus immediately repudiated this action, whilst simultaneously announcing that it would continue to build the mine. In November 2004, the Government advised Talas Gold Mining Company, the project operating subsidiary, that provided it was able to show that it had raised adequate funds to construct the mine, and had met certain additional technical requirements, the licence would be reinstated. Having raised the appropriate funds, the detailed technical work was completed to the satisfaction of the relevant licensing authorities, who recommended to the Government that the licence be reinstated.

The Company is in continuous discussion with the Kyrgyz Government and expects a positive outcome to these negotiations. In the meantime, Talas Gold has continued with construction at the project site with the full knowledge of the Kyrgyz Government. Construction started in mid-2004 and the mine is expected to start production in the second quarter of 2006 at an annual rate of 180,000 ounces. Oxus has now spent \$27 million at Jerooy, including \$17 million out of the \$59 million raised last December to complete the construction.

Jerooy is the largest unexploited gold deposit in the Kyrgyz Republic with a reserve of 9.88 million tonnes of ore at a grade of 7.5 g/t gold that equates to 2.38 million ounces of gold. The Group owns 66.7% of Talas Gold Mining Company, and the balance is held by Kyrgyzaltyn (Kyrgyz State Mining Enterprise). The deposit is located in the Talas Region, some 190 kms west of the capital city Bishkek.

The deposit is to be mined by both open pit and underground methods and has an initial mine life of 12 years, with an additional four years of potential currently in the inferred category of resources. Additional exploration targets include several known occurrences of gold within the vicinity of Jerooy.



CHIEF EXECUTIVE OFFICER'S REVIEW CONTINUED

OTHER ACTIVITY

Kosmanachi

In March 2005 the Group signed a co-operation agreement with the Navoi Mining and Metallurgical Combinat to work together with a view to developing the Kosmanachi silver/gold deposit situated near the AGF mine in Uzbekistan. This project is discussed in more detail in the Chief Geologist's report on Exploration and Grade Control.

EXPLORATION

There are 26 ore bodies within the AGF licence area and only three of them have been explored to any great degree. Having developed a strong production base at AGE, we intend to focus on exploration work to bring our exploration potential into the resource category and to increase our confidence in, and to upgrade, our additional resources.

In order to achieve this, Oxus intends to carry out further reverse circulation and core drilling. Five new underground and surface drill rigs are being purchased, at

a cost of \$2.5 million, for this purpose, and a programme of geophysical investigation is also planned in order to define the margins of the known mineralised zones and to investigate geological structures for further mineral potential. We expect to complete 100,000 metres of new drilling within the 2005-6 year.

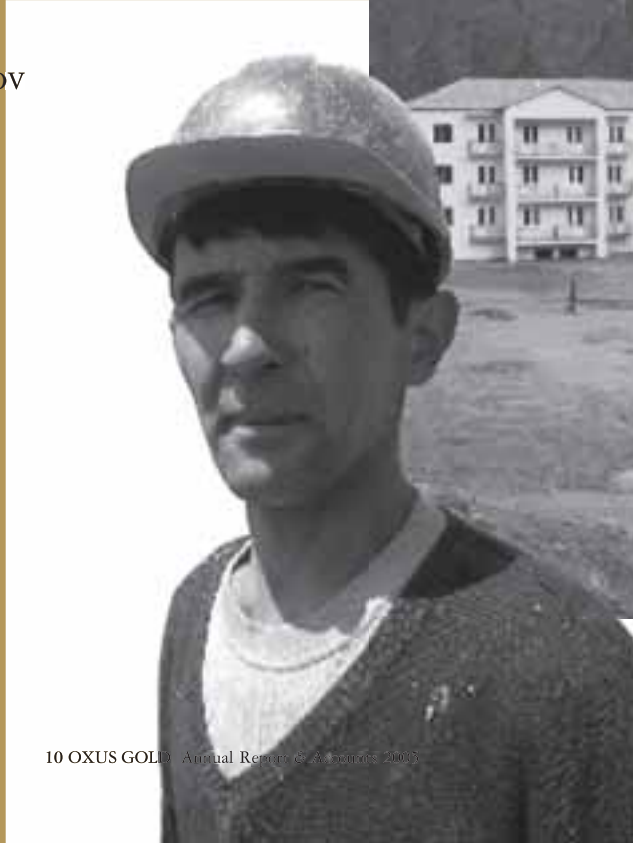
MARAKAND

Marakand Minerals Limited ("Marakand") is 57%-owned by Oxus. It is developing the Khandiza poly-metallic deposit in Uzbekistan which has a JORC classified measured and indicated resource above a 2% zinc cut-off of 11.83 million tonnes at an average grade of 7.66% zinc, 3.65% lead, 0.921% copper, 129 g/t silver and 0.38 g/t gold. The mineable reserve above a 4% zinc break-even cut-off, for the first 15 years of production, totals 9.61 million tonnes at an average grade of 7.90% zinc, 3.78% lead, 0.95% copper, 129 g/t silver and 0.37 g/t gold.

The Company's primary focus has been to secure agreement with the Uzbek Government on the commercial structure of the project. The Government

“ I have a wife, three children and the money I am earning as a plasterer at the mine has greatly improved our lives. It's also helpful that the mine is contributing to projects in the local community. ”

LIMANBEK ESENOV
PLASTERER



has proposed that the more commonly used joint-venture structure be considered, similar to that of a number of other successful joint ventures already operating in the mining sector in Uzbekistan, such as AGF. Marakand has submitted joint-venture documentation to the Uzbek State Committee of Geology who await final authorisation from the Uzbek Government to proceed on this basis. It is anticipated that this process will now be concluded in the fourth quarter of 2005. This will initiate the project funding process, detailed design and the commencement of construction with a view to starting production in 2007.

Marakand has made substantial progress in advancing the permitting process for the project, including technical and environmental approvals. Following the submission of the Khandiza Feasibility Study to the Uzbek Government in September 2004, Marakand has focused on advancing the permitting stage and negotiating the final form of project development for the Khandiza Project. In addition, framework agreements have been concluded for the toll smelting and sale of zinc, lead

and copper concentrates. Demand for concentrates and metals continues to be in excess of planned production and Marakand is well positioned to benefit from its proximity to high growth developing economies.

DIRECTORS

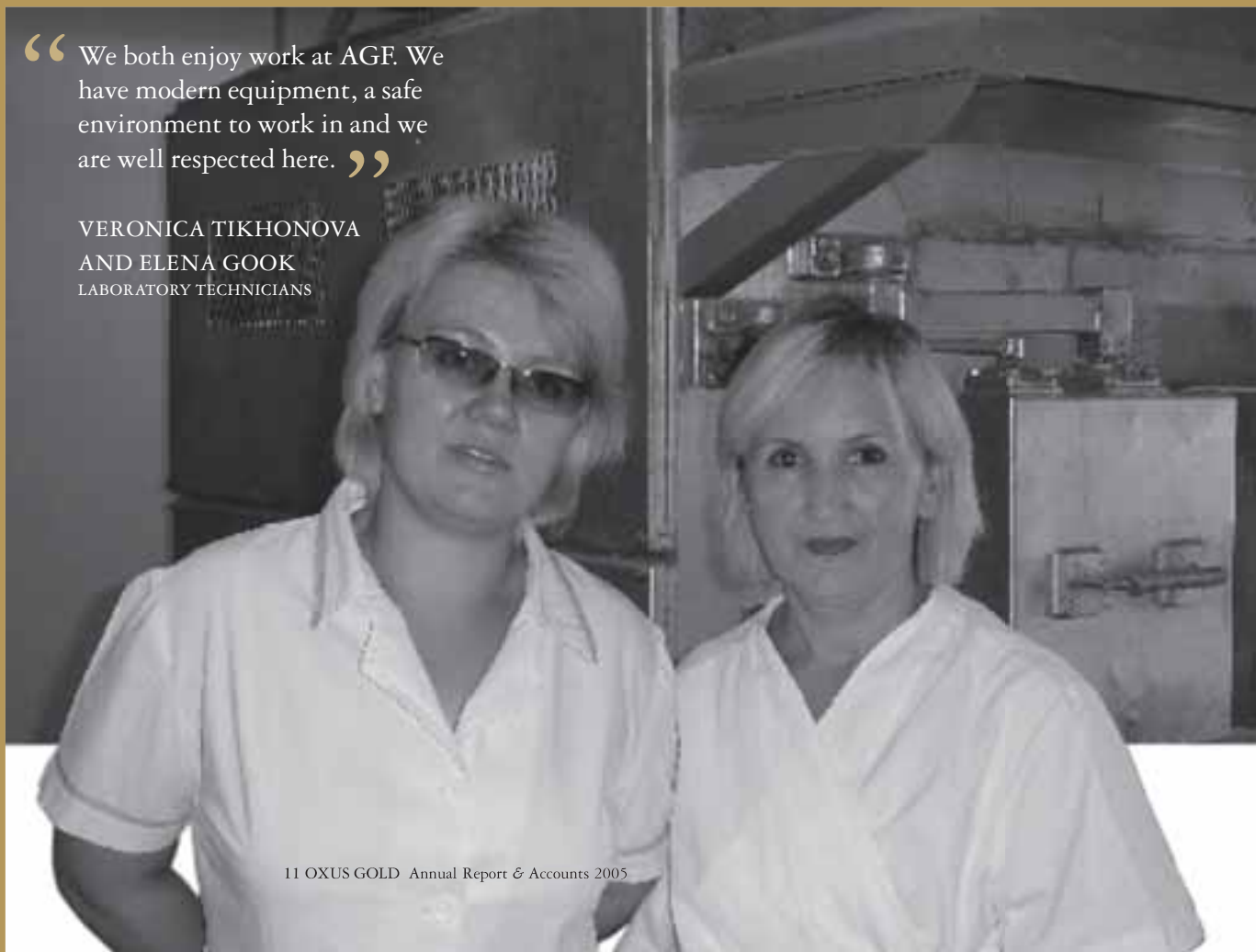
Douglas Sutherland and Oliver Prior joined the Board as non-executive directors. Michael Beckett, non-executive chairman, stood down as chairman following the last annual general meeting. Mr Sutherland acts as chairman, pending the appointment of a successor to Mr Beckett. Mark Wellesley-Wood and Dan Kappes also retired as non-executive directors. Each of the retiring directors made a significant contribution to the Company and we wish them well for the future.

OUTLOOK

The significant increase in shareholders' funds, the Group's strong cashflow and the strength of the balance sheet will provide the springboard for the next phase of Oxus's development. We now have two core operations in production and three others under development.

“ We both enjoy work at AGF. We have modern equipment, a safe environment to work in and we are well respected here. ”

VERONICA TIKHONOVA
AND ELENA GOOK
LABORATORY TECHNICIANS



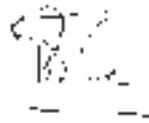
CHIEF EXECUTIVE OFFICER'S REVIEW CONTINUED

Oxus has been able to double its gold resources each year over the last three years and we are now focused on increasing our attributable gold reserves and resources to more than 10 million ounces by 2008. We now have Group reserves and resources of some 5 million ounces of gold and, significantly, more than 640 million ounces of silver. At a current price of US\$7.50 an ounce that represents a large and unrecognised asset for the Company.

With profitable gold production underway at AGF Phase 1 Oxides, Vysokovoltnoye also now in production, Jerooy scheduled to commence production next year and the AGF Phase 2 Sulphides project scheduled to come into production in early 2007 we look forward to

a significant increase in gold production over the next eighteen months.

I believe that we can look forward with confidence to a growing production profile and improving profitability as we continue to search for new opportunities to form the basis for the second phase of the Company's development.



William Trew

Chief Executive Officer



OXUS GOLD EXPLORATION & GRADE CONTROL
YEAR TO END OF JUNE 2005

EXPLORATION

Having developed a strong production base at AGF, Oxus Gold intends to substantially increase its exploration efforts to increase its confidence in, and to upgrade, its additional resources to reserves.

DRILLING

Drilling activity and sampling for the year is tabulated below:

	Total Metres	Total Samples
Exploration drilling core	1,094	165
Exploration drilling RC	21,181	21,073
Exploration trenching	1,102	978
Grade control RC	28,023	27,618
Grade control trenching	22,234	21,307

Oxus has utilised the services of local contractors for core drilling using contracted drills and a contractor to operate the AGF owned reverse circulation (RC) drilling machine as well as contracting a second RC drill rig. Duplicates and control samples have been sent to internationally recognized laboratories to verify assays from the local laboratories and the AGF on-site laboratory.

Oxus has also purchased four new core drill rigs from Atlas Copco, two for underground drilling and two for surface drilling, with 500m and 1,000m capability respectively. It is also planned that an RC rig will be purchased for additional exploration work next year. These rigs are required to meet the Oxus Gold objective of 100,000m of drilling in the year ahead. A western drill manager will be employed to train local drillers, preferably employed from the local State Geology Departments. Completion of refurbishment and upgrading the geological sample preparation and core logging area is ongoing.

CORE DRILLING

The aim of these drill-holes was to provide samples of transition material between oxide and sulphide and of sulphide mineralisation for test work purposes.

The summary of core drilling for the year is tabulated below:

Core drilling	Bore Holes drilled	Metres drilled
Amantaytau Sulphide/Metallurgical	7	794
Vysokovoltnoye OB 7	4	300
TOTAL	11	1,094

RC DRILLING

Reverse circulation drilling for the year totals 49,204m, of which 28,023m was grade control drilling. A summary of exploration RC drilling carried out is tabulated below:

Exploration RC	BH drilled	Metres drilled	Samples
Amantaytau Zapadny	1	105	98
Vysokovoltnoye OB 7 & 4	118	9,115	9,063
Asaukak	80	3,988	3,957
Uzunbulak	130	7,759	7,744
Amantaytau OB9	4	214	211
TOTAL	333	21,181	21,073

Exploration RC drilling for the year to date has focused on completing the planned programme on Asaukak and the Asaukak cluster which commenced in 2004 and a resource definition programme on Uzunbulak and its extensions aimed at confirming the current geological interpretation.



OXUS GOLD EXPLORATION & GRADE CONTROL YEAR TO END OF JUNE 2005 CONTINUED

SIGNIFICANT INTERSECTIONS FROM DEVELOPMENT DRILLING AT ASAUKAK

BHID	From	To	Length	Au (g/t)
SRA18	14	22	8	5.79
SRA18	30	41	11	3.89
SRA19	12	22	10	7.19
SRA22	33	37	4	6.75
SRA36	15	29	14	5.70
SRA44	54	60	6	9.97
SRA45	59	63	4	9.58
SRA49	54	64	10	4.53
SRA50	19	27	8	6.15
SRA50 inc	20	24	4	8.43

A high grade core to the ore zones at Asaukak is clearly definable from drilling results, within a lower grade halo. Lithological and mineralogical descriptions of cuttings from the drill holes have been coded and entered into AGF's 3-D modeling package.

TRENCHING

Trenching has become a major component of grade control sampling since new measures were introduced in March 2005. For the year to date 97% of all trench samples collected are related to grade control. Exploration trenching has been carried out at the Asaukak cluster of deposits namely Asaukak, Severny Asaukak, Aksai and also at Uzunbulak which is part of the Amantaytau block.

Exploration Trenching	Excavated		Samples 2005
	2005	metres 2005	
Severny Asaukak	10	437	431
Aksai	9	665	547
TOTAL	19	1102	978

DATA ENTRY AND DATA MANAGEMENT

The exploration and project development work focused on three main areas of the AGF licence, the northern Amantaytau block, the southern Vysokovoltnoye area and the central Asaukak and Northern Daugystau area.

The data entry and management of historical exploration data from within the AGF licence area was an important activity for the year on which to base future exploration and drilling work. Databases were compiled in the northern block for Amantaytau Zapadny in a geological 3-D modeling package.

The data input of a parallel structure to Vysokovoltnoye hosting a deposit named Jasaul was input. The drillhole collar coordinates were obtained. These data were coupled with the assay and survey data input. In total there are 796 former Soviet drill holes over the area. A report on the extent of possible exploration potential in the Southern Tumshuktau/Pridorozhny in the western reaches of the AGF exploration area has been produced outlining the extent of Soviet exploration in the region to test the higher grade intersections encountered.

The majority of Soviet exploration data for the Asaukak cluster has now been input into digital format. All data of Northern Asaukak was collated and digital input and verification completed. Wireframing of this deposit was also completed. Global variography indicates spatial relationships between data and the deposit is to be split into different domains where a significant change in the orientation of the ore body occurs. Digital data for the Sredinny deposit has been loaded into Datamine® and undergone final checks. Digitising of Soviet sections, and surface plans and subsequent wireframing was completed. Data entry for Severno Vostochny has also been completed.

Data entry and checking of all the data for the Severo-Zapadny of the Northern Daugystau area is complete.

PROJECT DEVELOPMENT WORK

AGF geologists identified suitable locations for investigations of the quality of near surface clays at Vysokovoltnoye to line the base of the leach pad. These areas were sampled by a contract geotechnical team to allow testwork to commence and evaluate the compressive strength, permeability and overall suitability of the clays as a leach pad liner.



KOSMANACHI

In March 2005 the Group signed a co-operation agreement with the Navoi Mining and Metallurgical Combinat to work together with a view to developing the Kosmanachi silver/gold deposit situated near the AGF mine. The project has been extensively explored and is estimated to contain Soviet classified resources in the C1 and C2 categories of at least 40 million ounces of silver at an average grade of 105 g/t and 270,000 ounces of gold at an average grade of 0.5 g/t. Oxus will carry out a detailed review of all the existing data and undertake a drilling programme to confirm the earlier exploration results in order to complete the pre-feasibility study. Kosmanachi also has additional resources in the Soviet P category.

Assuming favourable economics, it is hoped that a full feasibility study can be completed and plant construction commenced. Test work to date indicates that a heap leach plant would recover in excess of 70% of the silver and gold. The mine is situated within 20 kms of AGF's existing operations and therefore minimal infrastructure

will be required. The list of reports available for the Kosmanachi silver deposit was obtained from NMMC. These reports are to be copied and brought to AGF for review. Data entry is proposed for the next financial year.

FUTURE OBJECTIVES

Key exploration objectives have been identified and the following are planned activities for the coming year. Satellite imagery has been acquired for the AGF area and a structural geology/rock alteration study will be carried out. This is key to the evaluation of the various deposits within the AGF license. An understanding of the structural geological controls will be developed and this will be combined with areas of favourable alteration of the host rocks to identify the most favourable targets for AGF's planned exploration.

Geophysics is also being investigated as an exploration tool to identify drilling targets. Discussions are taking place with geophysical contractors on the feasibility of carrying out Induced Polarity (IP) surveys in Uzbekistan.



OXUS GOLD EXPLORATION & GRADE CONTROL YEAR TO END OF JUNE 2005 CONTINUED

This survey method is known to be successful in the identification of sulphide rich ore bodies. The objective would be to focus AGF's exploration on favourable target areas.

RC drilling is currently in progress to complete the Asaukak drilling programme and this deposit will be Datamine modelled once work on Uzunbulak is complete. This work will upgrade the current resources on Asaukak. A resource definition drilling programme has been laid out. A programme is planned to assess extensions based on geological mapping and structural interpretation of the existing mining operations around Amantaytau, Uzunbulak and Vysokovoltnoye. Future exploration of areas such as Northern Daugystau and Karasai will be defined once the results of the satellite imagery work are available.

RESOURCES AND RESERVES

The objective of next years' exploration is to increase the resource confidence and status of the known deposits in the AGF license area. Resource and reserve statements will be updated on a quarterly basis. The current Oxus Group's JORC classified resources and reserves follow.

Stephen Westhead
Group Chief Geologist



PRECIOUS METAL RESERVES (PROVEN + PROBABLE)

Deposits	Cut off g/t Au	Mt	Grade g/t		Contained Mozs	
			Gold	Silver	Gold	Silver
AMANTAYTAU GOLDFIELDS						
Phase I Oxides						
Centralny	0.6	1.62	4.92		0.256	
Uzunbulak	0.6	1.35	2.26	10.32	0.098	0.446
Sub-Total Phase I		2.96	3.71	10.32	0.354	0.446
Additional Oxides						
Amantaytau Zapadny	0.6	0.08	1.60		0.004	
Asaukak	0.6	2.65	1.91		0.163	
Sarybatyr	0.6	2.55	1.82		0.149	
Vysokovoltnoye OB4	0.6	2.33	1.24	26.52	0.093	1.988
Vysokovoltnoye OB7	0.6	1.66	1.13	127.37	0.060	6.782
Sub-Total Additional Oxides		9.27	1.57	68.41	0.469	8.770
Total Oxides		12.23	2.09	53.75	0.823	9.216
Sulphides						
Amantaytau Centralny	7.0	1.26	10.67		0.433	
Amantaytau Severny	6.0	4.21	11.80		1.597	
Total Sulphides		5.47	11.54		2.030	
Total AGF Reserves					2.853	9.216
Oxus Attributable AGF Reserves					1.426	4.608
JEROOY						
Open pit and underground reserves	1.6/3.5	9.88	7.50		2.382	
Oxus attributable reserves (66.67%)					1.588	
Total Oxus attributable gold reserves					3.014	4.608

Minor variations may occur in totals due to rounding.

“ We are all mechanics for AGF which we enjoy. We have good equipment and safety and we like working as a team. ”

NURMAT MIRZAEV, with
MANSUR RAFSHANOV,
SHEMOZAR NISHANOV,
ORIFJON HAIDAROV,
VAKHID SHARIPOV AND
TOLIK BOBOKULOV.
MECHANICS



PRECIOUS METAL RESOURCES

Deposits	Cut off	Mt	Measured Resources				Indicated Resources				
			Grade g/t		Contained kozs		Grade g/t		Contained kozs		
AMANTAYTAU GOLDFIELDS	g/t		Gold	Silver	Gold	Silver		Gold	Silver	Gold	Silver
Oxides											
Centralny	0.6	0.78	6.47		163		1.07	4.12		142	
Uzunbulak	0.6	0.44	2.69	25.4	38	364	0.87	2.32	4.0	65	111
Amantaytau Zapadny	0.6	0.05	1.31		2		0.28	1.26		11	
Asaukak	0.6	0.43	2.38		33		1.39	2.43		109	
Sarybatyr	0.6	0.74	2.46		59		0.89	1.79		51	
Vysokovoltnoye OB4	0.6	0.61	1.43	29.9	28	591	1.66	1.30	27.8	69	1,482
Vysokovoltnoye OB7	0.0	0.56	1.11	156.7	20	2,798	1.06	1.27	128.2	43	4,365
AGF - Remaining 17 deposits	0.6						7.02	1.37		309	
Balpantau	1.0						3.87	2.23		277	
Aristantau	0.5						3.55	1.90		217	
Total Oxides		3.62	2.95	72.3	343	3,753	21.65	1.86	51.7	1,293	5,957
Sulphides											
Centralny	6.0	0.69	10.19		225		1.07	10.59		365	
Severny Zone 8	6.0	0.29	12.04		114		2.32	12.85		960	
Severny Zone 11	6.0	0.12	15.32		60		0.75	12.67		307	
Severny Other Zones	6.0	0.13	10.10		43		0.81	10.43		270	
Total Sulphides		1.24	11.13		442		4.95	11.94		1,901	
Total Amantaytau Goldfields		4.86	5.03	72.3	786	3,753	26.60	3.74	51.7	3,195	5,957
OXUS ATTRIBUTABLE - 50%					393	1,876				1,597	2,979
JEROOY											
Jerooy open pit and underground	1.6	3.48	6.40		720		13.79	2.67		1,180	
OXUS ATTRIBUTABLE - 66.67%					480					787	
TOTAL OXUS ATTRIBUTABLE					873	1,876				2,384	2,979

Minor variations may occur in totals due to rounding.

“ AGF is a good place to work We are paid well and have good training. Without AGF here most people would be working in a poor job or have to travel far for work. ”

BAKHTIER SUNNATOR
GENERAL FOREMAN



Mt	Inferred Resources		TOTAL		Exploration Results			
	Grade g/t	Contained kozs	Contained kozs	Contained kozs	Contained kozs	Contained kozs	Gold	Silver
	Gold	Silver	Gold	Silver	Gold	Silver	Gold	Silver
0.12	2.69		10		315			
					103	474		
1.05	1.50		51		64			
0.70	2.09		47		189			
0.79	2.15		55		164			
0.29	1.48	18.3	14	171	111	2,243		
0.30	1.69	28.9	16	279	79	7,441		
12.52	1.33		535		845			
14.58	2.32		1,088		1,365			
2.42	1.43		111		328			
32.77	1.83	23.7	1,927	450	3,564	10,159	2,570	25,400
0.73	11.48		269		860			
0.05	11.27		17		1,091			
0.02	11.81		7		374			
0.16	9.66		50		363			
0.96	11.17		343		2,687		7,100	147,000
33.72	2.09	23.7	2,270	450	6,251	10,159	9,670	172,400
			1,135	225	3,125	5,080	4,835	86,200
7.95	5.17		1,320		3,220		230	
			880		2,147		153	
			2,015	225	5,272	5,080	4,988	86,200



SOCIAL AND ENVIRONMENTAL ACTIVITY

Financial contribution to the local community via a “Social Fund”:
Oxus through its local Central Asian joint ventures establishes a social fund
for the regions most impacted by its mining operations.



“ I have been associated with the mine for over ten years. I am convinced there is no threat from the mine. They took water samples for analysis throughout the drilling process and found no danger – in fact, it was the purest water in the area. ”

KACHIKE ISHIMOV
AKSAKAL (VILLAGE ELDER TALAS REGION)

The Social Funds are calculated as a percentage of net profits for both AGF and Talas Gold (TGMC). At Amantaytau, this fund is paid on a quarterly basis to a special bank account exclusively used for social development activities. A committee comprised of two persons from the local Hokimiat (mayor's office) and two persons from the company (AGF) decide on the allocation of funds which include health, education, safety considerations of the town, sports development and cultural issues.

TGMC plans to help create a council of nine members, representing local NGOs, ail okmorus (local self-governance structures) and rayon and oblast representatives. The council will attempt to leverage contributed funds to elicit co-financing of priority locally sustainable projects to improve local infrastructure and social development. The role of TGMC mainly will be to make sure that funds are spent directly on the identified and agreed priority projects.

AGF for example funded the placement of a water pipeline for a collective farm some 40km from the mine, and has also taken a spur off the pipeline for farmers and herders. Other independent assistance provided includes:

- Assistance to the Army Battalion that acts as security for gold shipments (for Ministry of Internal Affairs)
- Assistance with the development of a juniors' sports club
- Assistance with local public holiday events such as Navruz
- Assistance with the completion of the local library refurbishment

Currently TGMC is providing resources to refurbish a local hospital and a cultural centre in villages close to the mine.

TGMC has already carried out the following work at a cost of \$125,000:

- Refurbishment of a local school
- Renovation of the Talas central park and central square

In addition to the above, Oxus, through its joint ventures is able to provide local employment, and the associated business development as a direct effect of the construction and operation of a major industrial unit such as a gold mine and plant. This includes supply of fuel and other consumables, customs clearance, transportation, food and drink supply, local accommodation requirements and purchasing from the local community.



Chat Bazarr Hospital Refurbishment – Talas region

DIRECTORS AND SENIOR MANAGEMENT

WILLIAM TREW, B.Eng. (Mech.) Hon., M.Eng
Chief Executive Officer

Over 26 years' experience in the engineering and mining industry. Non-executive chairman and founder of MAED Limited.

Joined the Board in November 2002.

RICHARD WILKINS, MA, FCA
Director & Secretary

Has been conducting business in Central Asia since 1991 and is one of the founders of the Oxus Group.

Joined the Board in April 2001.

JONATHAN KIPPS, B.Comm, CA (SA),
Dip Tax Law (UCT)

Director, finance

A South African chartered accountant, with an extensive corporate and project finance background.

Joined the Board in November 2002.

DOUGLAS SUTHERLAND, CA
Non executive director

Chartered Accountant with over 40 years' experience in investment management, corporate finance and commercial lending.

Joined the Board in October 2004.

OLIVER PRIOR, ACII
Non executive director

Over 40 years' experience in the insurance industry. Currently a senior consultant for FirstCity Partnership Ltd.

Joined the Board in October 2004.

SENIOR MANAGEMENT

DARRYL NORTON
Group Project Director

STEPHEN WESTHEAD
Group Chief Geologist & General Director Talas Gold

GEOFF MCLOUGHLIN
Group Chief Metallurgist

TERRY KUNG
Group Chief Accountant

ALEXANDER POLIKASHIN
Head of representative office (Uzbekistan)

DEREK WEBBSTOCK
General Director Amantaytau Goldfields

SERGEY SALAMATIN
Deputy General Director Amantaytau Goldfields

RICHARD GILROY
Chief Engineer Amantaytau Goldfields

PETER JOUBERT
Chief of Security Amantaytau Goldfields

BAKHROM JALOLOV
Plant Manager Amantaytau Goldfields

SHAUN BALL
Mining Manager Amantaytau Goldfields

JULIAN WOODCOCK
Chief Geologist Amantaytau Goldfields

BOBIR NARAZIEV
Chief Accountant Amantaytau Goldfields

BERTIE BRINK
Financial Manager Amantaytau Goldfields

FRED HUSTON
Director Talas Gold

FRANZ SCHLOSSER
General Manager Talas Gold

JYLDYZ CHEKIROVA
Chief Accountant Talas Gold



CONTACTS AND ADMINISTRATION

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Company Secretary

Richard Wilkins

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Capita Registrars
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Kent BR3 4TU UK



NOTES



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ANNUAL REPORT & ACCOUNTS 2005
RICH IN NATURAL RESOURCES

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Proxy form	loose insert

DIRECTORS' REPORT

The directors present their report together with the audited financial statements of the Company for the year ended 30 June 2005.

PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS DEVELOPMENTS

The Company's principal activities during the year were: i) the development of its core projects, including the production of 166,318 ounces of gold from the Amantaytau Goldfields Phase 1 Oxides project and the commencement of construction and mining at the Amantaytau Goldfields Vysokovoltnoye silver/gold heap leach project, and ii) the continuation of mine construction at Jerooy. The Company's shares trade on the Alternative Investment Market ("AIM") of the London Stock Exchange.

The Company has taken the decision to present its financial statements under International Accounting Standards. This is a demonstration of the Company's commitment to best practise as well as presenting the annual results in a format appropriate to the international markets in which the Company operates.

Reviews of activities, business developments and projects are included in the Chairman's Statement and the Chief Executive Officer's Review.

RESULTS AND DIVIDEND

Details of the results for the financial year are set out in the consolidated income statement on page 8.

The directors do not recommend the payment of a dividend in respect of the year under review.

DIRECTORS AND THEIR INTERESTS

The directors who served during the period since 1 July 2004 were:

Michael E Beckett	(Non executive chairman, resigned 8 December 2004)
William J Trew	(Chief executive officer)
John C Donald	(Executive, retired 30 September 2004)
Jonathan A Kipps	(Executive)
Richard B Shead	(Executive, resigned 24 September 2004)
Richard V L Wilkins	(Executive)
Douglas M Sutherland	(Non executive, appointed 12 October 2004)
Oliver Prior	(Non executive, appointed 12 October 2004)
Daniel W Kappes	(Non executive, resigned 28 February 2005)
Mark M Wellesley-Wood	(Non executive, resigned 8 December 2004)

On 15 September 2005 the directors' interests were as follows:

	Ordinary shares	Options over Ordinary shares
William J Trew	6,338,572	2,000,000
Jonathan A Kipps	3,042,756	1,300,000
Richard V L Wilkins	4,116,239	1,300,000
Douglas M Sutherland	163,159	250,000
Oliver Prior	61,159	250,000

In accordance with the Company's Articles of Association at least one-third of the directors must retire by rotation at each Annual General Meeting, and they may stand for re-appointment at the meeting. Accordingly the directors retiring by rotation are William Trew and Richard Wilkins. Both, being eligible, offer themselves for re-appointment.

DIRECTORS' REPORT

CONTINUED

The retiring directors, William Trew and Richard Wilkins, have service contracts with unexpired terms of more than one year, which commenced on 12 June 2003 and have been extended to 31 July 2007.

CORPORATE GOVERNANCE

The directors seek, as far as is considered appropriate having regard to the size and nature of activities of the Company, to comply with the Combined Code on Corporate Governance applicable to listed companies. The board is assisted in this regard by a number of committees with delegated authority:

AUDIT COMMITTEE

The Company has an audit committee, which currently comprises Douglas Sutherland and Oliver Prior. The committee meets at least twice a year and at any other time when it is appropriate to discuss audit, accounting or control issues. The committee will meet the external auditors, without the executive board members being present, to review accounting and internal control matters. The committee's principal objectives are to review annual and interim financial statements; to review accounting policies; to review with management and the Company's external auditors the effectiveness of internal controls; and to review with the Company's external auditors the scope and results of their audit. Douglas Sutherland chairs the audit committee.

REMUNERATION AND NOMINATIONS COMMITTEE

The remuneration and nominations committee members are Douglas Sutherland and Oliver Prior, who review the performance of the executive directors and set the scale and structure of their remuneration and the basis of their service agreements. In determining remuneration, the committee seeks to enable the Company to attract and retain executives of the highest calibre. The committee also makes recommendations to the board concerning allocation of share options to employees. No directors participate in discussions or decisions concerning their own remuneration. This committee is also responsible for nominating candidates, for the approval of the board, to fill either executive or non-executive vacancies or additional appointments to the board. Oliver Prior chairs the remuneration and nominations committee.

INDEPENDENT COMMITTEE

The independent committee currently comprises Douglas Sutherland and Oliver Prior. Douglas Sutherland acts as the senior independent director. The committee is responsible for overseeing related party transactions.

SHARE CAPITAL

The details of the Company's share capital are included in note 14 to the financial statements.

The Company's operations for the period were financed through the placing of 27.2 million shares at £0.50 per share in December 2004, raising £13.6 million gross (\$26.4 million), and the issue of 33.97 million shares at £0.50 per share from the holders of convertible loan notes, raising £17 million gross (\$32.9 million) and the exercising of 528,334 options and nil warrants during the year raising £94,000 (\$146,000). 5 million shares were issued at £0.54 per share in February 2005, in return for an equity stake of 30 million shares in Eurogold Limited, representing 16.49% of the issued share capital, at a cost of £2.7 million (\$5.1 million). The costs of the share issue in December 2004 amounted to \$3.6 million.

As at 15 September 2005, the Company was aware of the following holdings of 3% or more in the Company's issued share capital:

	Number of Oxus Gold plc shares	Approximate percentage of the Company's issued share capital
RAB Capital plc	57,685,059	20.10%
Fidelity International Limited	28,115,866	9.80%
MAED Limited	26,360,717	9.18%
L-R Managers, LLC	16,769,520	5.84%
Carmignac Gestion	11,997,900	4.18%
The Capital Group Companies, Inc	11,600,000	4.04%

In addition to the above the directors of the Company own 13,721,885 shares (4.78%).

FINANCIAL REVIEW

The Company's income from operations was \$3,678,000, together with income attributable, in the year ended 30 June 2005, of \$6,437,000 from Amantaytau Goldfields. The gold produced during the year amounted to 166,318 ounces.

The \$35 million project finance loan provided by Standard Bank and West LB to finance the construction of the Amantaytau Goldfields Phase 1 Oxides project has been fully repaid. \$17.9 million was repaid during the year (\$2.0 million in 2004), Amantaytau Goldfields repaid a further \$6.7 million after the year end and the Company took over the balance of the debt of \$8.4 million.

At the time of this report, Amantaytau Goldfields had less than 8% of its original hedge commitment of 263,096 ounces outstanding, at 20,938 ounces. This hedge will be eliminated during November 2005.

Since the year end, the Company has received credit approval from Nedbank Limited to provide a \$20 million corporate loan facility.

CURRENCY

The functional currency of the Company is the US dollar and therefore the consolidated financial statements are stated in this currency.

PAYMENTS TO CREDITORS

The Company's policy is to settle the terms of payment with its suppliers when agreeing the terms of each transaction, either by accepting the suppliers' terms or by making the suppliers aware of alternative terms, and to abide by the agreed terms. Trade creditors of the Company at 30 June 2005 represented 52 days of annual purchases.

DIRECTORS' REPORT

CONTINUED

GOING CONCERN

Based on a review of the Company's budgets and cash flow plans, the directors are satisfied that the Company has sufficient resources to continue its operations and to meet its commitments for the foreseeable future.

AUDITORS

A resolution to re-appoint the auditors of the Company, BDO Isle of Man, will be proposed at the forthcoming Annual General Meeting. BDO Isle of Man have expressed their willingness to continue as auditors of the Company.

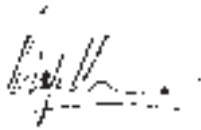
POST BALANCE SHEET EVENTS

Details of post balance sheet events are provided in note 20 to the financial statements.

By order of the board



William Trew
Chief Executive Officer
22 September 2005



Richard Wilkins
Director/Secretary
22 September 2005

MANAGEMENT'S REPORT TO SHAREHOLDERS

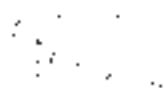
The accompanying Consolidated Financial Statements of Oxus Gold plc are the responsibility of the directors. The financial and operating information presented in this Annual Report is consistent with that shown in the Consolidated Financial Statements.

The Consolidated Financial Statements have been prepared by Management, on behalf of the board, in accordance with the accounting policies disclosed in the Notes to the Consolidated Financial Statements. Where necessary, Management has made informed judgements and estimates in accounting for transactions which were not complete at the balance sheet date. In the opinion of Management, the Consolidated Financial Statements have been prepared within acceptable limits of materiality and are in accordance with United Kingdom and International Financial Reporting Standards appropriate to the circumstances.

Management maintains appropriate systems of internal controls. Policies and procedures are designed to give reasonable assurance that transactions are properly authorised, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

An independent firm of Chartered Accountants, as appointed by the Shareholders, examines the Consolidated Financial Statements in accordance with United Kingdom and International Financial Reporting Standards and provides an independent professional opinion.

The board of Directors carries out its responsibility for the financial reporting and internal controls principally through an Audit Committee. The Committee has met with external auditors and Management in order to determine if Management has fulfilled its responsibilities in the preparation of the Consolidated Financial Statements. The Consolidated Financial Statements have been approved by the board of Directors on the recommendation of the Audit Committee.



William Trew
Chief Executive Officer



Jonathan Kipps
Finance Director

AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF OXUS GOLD PLC

We have audited the financial statements of Oxus Gold plc for the year ended 30 June 2005, which comprise the Consolidated Balance Sheet, Company Balance Sheet, the Consolidated Statements of Income, Changes in Shareholders' Equity and Cash Flows, and the related notes numbered 1 to 21. These financial statements have been prepared under the accounting policies set out therein.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

Company law requires the directors to prepare financial statements for each financial period which 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 judgements and estimates that are reasonable and prudent; and
- 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 which disclose with reasonable accuracy at any time the financial position of the Company and to 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.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom auditing standards issued by the Auditing Practices board. 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. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in to whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' and Management Report are not consistent with the financial statements, if 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' fees and transactions with the Company is not disclosed.

We read the Directors' and Management's Reports and 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.

EXPLORATION AND MINING RIGHTS

In forming our opinion we have considered the adequacy of the disclosures made in the financial statements concerning the valuation of exploration and mining rights. The valuation included in the consolidated balance sheet is dependent on the successful development of economic reserves including the ability to raise sufficient finance to develop the project. We draw attention to further detail given in note 10. Our opinion is not qualified in this respect.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with United Kingdom Auditing Standards 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 judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion the financial statements give a true and fair view of the state of affairs of the Group at 30 June 2005 and of the profit and cash flows of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



BDO Isle of Man
Chartered Accountants & Registered Auditors
Douglas, Isle of Man

22 September 2005

CONSOLIDATED INCOME STATEMENT

(US\$000)	Note	Year ended 30 June 2005	Year ended 30 June 2004
Revenue			
Gross revenue		3,678	1,932
Income attributable from joint venture	11	6,437	3,738
		10,115	5,670
Expenses			
Administration expenses		(3,067)	(5,832)
Deferred exploration and evaluation expenditure incurred by Marakand Minerals Limited	10	(2,281)	(1,198)
Gross profit (loss)		4,767	(1,360)
Foreign exchange (loss) gain	5	(1,487)	545
Legal costs arising from abortive 2002 project financing		(1,410)	(634)
Legal costs arising on the application to court to convert the share premium to distributable reserves		–	(156)
Profit (loss) from operations		1,870	(1,605)
Net interest receivable:			
– Group		696	212
– Joint venture		914	575
Net gain on disposal of minority interest in Marakand Minerals Limited	6	–	12,252
Profit before taxation		3,480	11,434
Taxation	7	(6)	(5)
Profit after taxation		3,474	11,429
Minority interests	13	(1,191)	(539)
Profit for the year		2,283	10,890
Profit per share (US cents)	15		
Basic		0.92	5.32
Diluted		0.90	5.20

See accompanying notes to the consolidated financial statements.

STATEMENT OF TOTAL CONSOLIDATED RECOGNISED GAINS AND LOSSES

	Note	Year ended 30 June 2005	Year ended 30 June 2004
Group profit for the financial year		3,474	11,429
Unrealised surplus arising from revaluation of exploration and mining rights on flotation of Marakand Minerals Limited	10	–	16,296
Total recognised profit for the year		3,474	27,725
Total profit recognised since last annual report		3,474	27,725

The directors have taken advantage of the exemption available under section 230 of the Companies Act 1985 not to present an individual Company income statement.


The loss after tax of the Company for the year, dealt with in the above consolidated income statement, amounted to \$3,311,000.

CONSOLIDATED BALANCE SHEET

(US\$000)	Note	As at 30 June 2005	As at 30 June 2004
Fixed assets			
Exploration and mining properties	10	60,228	41,003
Investments			
Investments	11	43,306	22,295
Total fixed assets		103,534	63,298
Current assets			
Trade and other receivables	9	5,954	7,107
Cash and cash equivalents	8	34,834	5,541
		40,788	12,648
Trade and other payables due in less than one year	12	(2,635)	(741)
Net current assets		38,153	11,907
Net assets		141,687	75,205
Trade and other payables due after one year	12	(6,093)	(1,761)
Net assets		135,594	73,444
Shareholders' equity			
Capital stock	14	4,581	3,289
Reserves		118,155	56,030
Total Shareholders' funds		122,736	59,319
Minority interests	13	12,858	14,125
Capital employed		135,594	73,444

See accompanying notes to the consolidated financial statements.

The consolidated financial statements were approved by the board on 22 September 2005.



William Trew
Chief Executive Officer



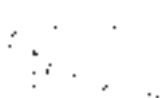
Jonathan Kipps
Finance Director

COMPANY BALANCE SHEET

(US\$000)	Note	As at 30 June 2005	As at 30 June 2004
Fixed assets			
Exploration and mining properties		91	112
Investments			
Investments		9,470	–
Investment in subsidiaries		436,880	451,032
Total fixed assets		446,441	451,144
Current assets			
Trade and other receivables		43,744	8,101
Cash and cash equivalents		8,682	1,062
		52,426	9,163
Trade and other payables due in less than one year		(35,379)	(43,542)
Net current assets (liabilities)		17,047	(34,379)
Net assets		463,488	416,765
Trade and other payables due after one year	12	(6,093)	(1,761)
Net assets		457,395	415,004
Shareholders' equity			
Capital stock	14	4,581	3,289
Reserves		452,814	411,715
Total shareholders' funds		457,395	415,004

See accompanying note 21 to the financial statements.

The consolidated financial statements were approved by the board on 22 September 2005.



William Trew
Chief Executive Officer



Jonathan Kipps
Finance Director

CONSOLIDATED STATEMENT OF CASH FLOWS

(US\$000)	Year ended 30 June 2005	Year ended 30 June 2004
Cash flows from operating activities		
Profit for the year	2,283	10,890
Adjustments for:		
Depreciation	16	48
Profit on sale of assets	(6)	–
Salaries and bonuses converted to shares	33	529
Net gain on disposal of minority interest in Marakand Minerals Limited	–	(12,252)
Income attributable from joint venture	(6,437)	(3,738)
Loss on foreign exchange	13	21
Operating loss before working capital changes	(4,098)	(4,502)
Decrease/(increase) in trade and other receivables	1,153	(6,842)
Increase in trade and other payables	6,226	344
Cash generated (used) from operations	3,281	(11,000)
Cash flows from investing activities		
Capital expenditure and financial investment		
Exploration and mining properties expenditure	(19,235)	(3,408)
Funding of joint venture's capital expenditure	(8,852)	(1,632)
Acquisitions and disposals		
Investments	(6,839)	–
Sale of minority shares in subsidiary on flotation	–	5,846
Sale of minority shares in subsidiary	–	689
Net cash (used) generated in investing activities	(34,926)	1,495
Cash flows from financing activities		
Warrants and options exercised	146	4,715
Shares issued	60,792	6,476
Net cash provided by financing activities	60,938	11,191
Net increase in cash and cash equivalents	29,293	1,686
Cash and cash equivalents as at 1 July	5,541	3,855
Cash and cash equivalents as at 30 June	34,834	5,541

See accompanying notes to the consolidated financial statements.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(US\$000) Note	Share capital 14	Capital reserve 14	Accumulated loss	Total	Minority interests 13	Total
Balance as at 1 July 2003	2,824	–	(22,590)	33,990	10	34,000
Merger reserve		34,929				
Share premium account		18,827				
Shares issued	108	6,368	–	6,476	–	6,476
Warrants and options exercised	346	4,369	–	4,715	–	4,715
Conversion of directors' remuneration to shares	11	518	–	529	–	529
Transfer to distributable reserve, February 2004	–	(24,221)	24,221	–	–	–
Capital reserve						
Capital reserve arising on revaluation of exploration rights in Marakand Minerals Limited	–	16,296	–	16,296	12,160	28,456
Capital reserve arising on issue of shares in Marakand Minerals Limited	–	3,360	–	3,360	2,508	5,868
Distribution of Marakand Minerals Limited shares	–	–	(17,490)	(17,490)	–	(17,490)
Minority interest adjustments relating to previous years:						
– Marakand Minerals Limited	–	–	6	6	(6)	–
– Talas Gold Mining Company	–	–	8	8	(8)	–
Profit for the year	–	–	11,429	11,429	(539)	10,890
Balance as at 1 July 2004	3,289	60,446	(4,416)	59,319	14,125	73,444
Shares issued	1,281	59,511	–	60,792	–	60,792
Warrants and options exercised	10	136	–	146	–	146
Conversion of directors' remuneration to shares	1	32	–	33	–	33
Capital reserve arising on revaluation of investments:						
– Eurogold Limited	–	(1,383)	–	(1,383)	–	(1,383)
– Ovoca Resources plc	–	266	–	266	–	266
On consolidation	–	4	85	89	(76)	13
Profit for the year	–	–	3,474	3,474	(1,191)	2,283
Balance as at 30 June 2005	4,581	119,012	(857)	122,736	12,858	135,594

See accompanying notes to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(TABULAR AMOUNTS IN US\$000, EXCEPT WHERE NOTED)

Oxus Gold plc (“Oxus” or the “Company”) is an international mineral exploration and development company that is focused on precious and base metal opportunities in the former Soviet Bloc. The Company is incorporated and registered in United Kingdom.

BASIS OF PREPARATION

The consolidated financial statements, as well as the financial statements of the parent and subsidiaries, are measured and presented in US dollars on the basis that this reflects the currency in which the main operating cash flows arise. Management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the period. Actual results could differ from these estimates.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

The consolidated financial statements, including comparatives, have been prepared in accordance with both UK and International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards board (“IASB”) and the interpretations issued by the Standing Interpretations Committee of the IASB.

b) Basis of consolidation

(i) Subsidiaries

The consolidated financial statements include the accounts of the Company and all of its subsidiaries. Subsidiaries are those enterprises controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of those enterprises. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The following companies have been consolidated within the financial statements:

Subsidiary	Registered	Holding
Oxus Holdings (Malta) Limited	Malta	100%
Marakand Minerals Limited	Guernsey	57.23%
The following companies are wholly owned by Oxus Holdings (Malta) Limited:		
Oxus Resources Corporation	Malta	
Norox Mining Company Limited	Cayman Islands	
The following company is wholly owned by Oxus Resources Corporation:		
Oxus Services Limited	England	
The following companies are owned by Norox Mining Company Limited:		
Norox Operating Company Limited	Kyrgyzstan	100%
Talas Gold Mining Company	Kyrgyzstan	66.67%
The following company is wholly owned by Marakand Minerals Limited:		
Khandiza Services Limited	Uzbekistan	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

(ii) Transactions eliminated upon consolidation

Intra-company balances and transactions, and any unrealised gains arising from intra-company transactions, are eliminated in preparing the Consolidated Financial Statements.

c) Foreign currency

Foreign currency transactions are recorded at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at year-end rates. Non-monetary items are translated at historical rates, unless such items are carried at market value, in which case they are translated using the exchange rates that existed when the values were determined. Any resulting exchange rate differences are taken to the income statement.

d) Financial instruments

The Company uses certain financial instruments in its operating and investing activities that are appropriate to the Company's strategy and circumstances.

Financial instruments currently comprise cash, loans to joint ventures, short-term trade receivables and trade payables and gold and interest rate hedges to secure the debt repayment and operating costs on the Amantaytau Goldfields Phase 1 Oxide project financing. The Company finances its operations through the issue of equity share capital and manages financial risk, to ensure sufficient liquidity to meet foreseeable needs and to invest cash assets safely and profitably. This is achieved by placing surplus funds on deposit with major banking institutions.

The main risks arising from the Company's present use of financial instruments are currency risk relating to the Company's cash resources denominated in currencies other than the US dollar, interest rate risk in respect of the loans to joint ventures and the gold price risk on unhedged ounces. At 30 June 2005 the Company held £18,599,000 (\$33,567,000) in sterling bank accounts, applying an exchange rate of 1.8048.

e) Exploration and mining properties

The amount shown as exploration and mining rights represents the valuation, based on previous feasibility studies, carried out by consultants independent of the Company.

When the Company has incurred expenditures on mining properties that have not reached the stage of commercial production, the costs of acquiring the rights to such mineral properties and related exploration and development costs are deferred where the expected recovery of costs is considered probable by the successful exploitation or sale of the asset.

Where a feasibility study indicates that the future recovery of the costs is not probable, full provision is made in respect of the deferred costs. Where mining properties are abandoned, the deferred expenditure is written off in full.

When a review for impairment is conducted, the recoverable amount is assessed by reference to the net present value of expected future cash flows of the relevant income generating unit or disposal value if higher. Individual mining properties are considered to be separate income generating units for this purpose.

f) Depreciation

Depreciation in respect of plant and equipment is charged to the income statement on the straight line basis over the estimated useful economic lives of each class of asset. The estimated useful lives are as follows:

Computer and office equipment	3 years
Office furniture	5 years
Motor vehicles	5 years

g) Trade and other receivables

Trade and other receivables are stated at cost less impairment losses.

h) Cash

Cash and cash equivalents include cash on deposit. Cash, as presented in the consolidated financial statements, comprises balances held in the Company's various bank current accounts or short-term deposit accounts, normally not exceeding 31 day terms. There are no restrictions over the access and use of these funds, other than those that customarily relate to such periodic short-term deposits.

i) Impairment

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying value of the Company's assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is immediately recognised in the income statement whenever the carrying value of an asset exceeds its recoverable amount. The recoverable amount is the greater of the selling price and value in use.

j) Employee benefits

(i) Pension

The Company does not operate a pension plan.

(ii) Equity and equity-related compensation benefits

The stock option programme allows Company officers, directors and key personnel to acquire shares at an exercise price determined by the Company. When the options are exercised, equity is increased by the amount of the proceeds received. The share option plan provides for the grant of non-transferable options that become exercisable either on a cumulative basis over three years from grant date, or on the occurrence of a specific event. Options are not granted at a discount to their market value.

(iii) Bonus

Bonuses received by Company senior management are based on predetermined objectives of both the individual and the Company. Any bonuses specific to deferred exploration and evaluation expenditure are capitalised against the carrying value of that asset. Other bonuses are recognised in the income statement in the period in which they relate.

(iv) Stock-based compensation

The Company will account for stock-based compensation under the rules of IFRS 2, Accounting for Share-Based Payments, with effect from 1 July 2005, whereby the fair value of such options is expensed to the income statement in accordance with the specific vesting periods. The Company has not taken any charge in its financial statements for the year ended 30 June 2005, but had IFRS 2 been implemented a charge of \$90,000 would have been made to the income statement and an adjustment to capital reserves of \$90,000. In addition a charge of \$93,000 would be made in respect of Marakand Minerals Limited, of which \$40,000 relates to minority interests. These charges will be made as a prior year adjustment in the 2006 accounts, in accordance with IFRS 2. The basic and diluted profit per share, taking these adjustments into account, is US cents 0.86 per share (basic) and US cents 0.84 per share (diluted).

k) Provisions

A provision is recognised in the balance sheet when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required in the future to settle the obligation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

l) Future site restoration costs

No provision is currently recognised for site restoration as project development and exploration to date on the Company's mineral properties, other than AGF and Jerooy, has been limited to surface and underground drilling and sampling, feasibility studies, exploration programmes, site establishment and construction. The directors do not believe that the Company bears any liability to rehabilitate any site as a result of these activities.

In respect of Amantaytau Goldfields and Jerooy no provision has been made to date, since the relevant local legislation does not require such at this stage of the mining operations.

m) Revenue

Revenue comprises management fees for services provided by the Company to third parties, subsidiaries or joint ventures.

Additionally, income from Amantaytau Goldfields is accounted for on an equity basis, as more fully described in note 11.

n) Operating leases

Payments made under operating leases are recognised in the income statement on a straight line basis over the term of the lease.

o) Joint interest operations

Investments in which the Company has a long-term interest that are jointly controlled are accounted for as joint ventures. The Company's interests in joint ventures are included in the consolidated financial statements under the gross equity method of accounting. The Company includes separately in its results its share of the results of joint ventures and the Company's share of the net assets of joint ventures are included and disclosed separately in note 11.

p) Segmental reporting

Segment information is presented in respect of the Company's geographical segments. No secondary information is reported for the Company as gold is the only product provided.

2 SEGMENTAL REPORTING

The Company's current operations are entirely focused on exploration and development opportunities within Central Asia. Accordingly, the directors believe that there is only one relevant class of business and geographic segment.

3 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2005	2004
Profit before taxation is stated after charging		
Staff costs (further detail is given in note 4)	1,434	4,845
Depreciation (further detail is given in note 10)	46	48
Other operating lease rentals (further detail is given in note 16)	399	374
Auditors' remuneration:		
– Audit services	47	65
– Non audit services in the United Kingdom	47	31

4 PERSONNEL EXPENSES

The average number of full time personnel during 2005 was 141 (2004:108). The Company does not operate any form of pension plan or formal long term benefit scheme for employees.

	2005	2004
Wages and salaries	2,067	5,068
Social security costs	57	–
Pension costs	–	–
Amounts recharged to deferred exploration and evaluation expenditure	(690)	(223)
	1,434	4,845

5 FOREIGN EXCHANGE LOSS

	2005	2004
Foreign exchange (loss) gain	(1,487)	545

6 NET GAIN ARISING ON THE MARAKAND MINERALS LIMITED SHARE DISPOSALS

The net gain arising on the Marakand Minerals Limited share disposals and transfer of deferred revenue expenditure was as follows:

	2004
23,157,732 shares valued at	18,933
Loss on sale of 2,000,000 shares	(947)
Profit on distribution of 21,157,732 shares	192
Net gain on share disposals	18,178
Khandiza deferred exploration and evaluation expenditure transferred to Marakand Minerals Limited	(5,926)
Net gain as at 30 June 2004	12,252

The net proceeds from the issue of 2 million shares referred to in the table above amounted to \$689,000.

The net proceeds from the issue of 20 million shares in Marakand Minerals Limited in October 2003 amounted to \$5,846,000.

7 TAXATION

	2005	2004
UK corporation tax at 20% (2004: 20%)	5	7
UK corporation tax relating to 2003	–	(2)
Uzbekistan corporate income tax	1	–
	6	5

No provision for taxation, comprising United Kingdom corporation tax, relating to the activities of Oxus Services Limited, a subsidiary incorporated in the United Kingdom, is required in respect of the current and previous years as a result of the availability of group relief. The UK accumulated Corporation tax provision of \$16,000 will be written back in 2006. No further liability to taxation arises as the Company has not yet generated taxable income. The principal subsidiaries are incorporated in overseas jurisdictions where no liability to corporate tax has arisen during the year. Provision for appropriate local revenue taxes has been accounted for by Amantaytau Goldfields. The other Company activities in Central Asia have not yet generated taxable income. Results from Central Asia may in due course be subject to taxation in the relevant country, although Amantaytau Goldfields has a five year profits tax holiday commencing from the start of gold production in January 2004. Khandiza Services Limited, a subsidiary of Marakand Minerals Limited, incorporated in Uzbekistan, is subject to corporate income tax on its local revenue.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
CONTINUED

8 CASH AND CASH EQUIVALENTS

	2005	2004
Cash and short-term deposits	34,797	5,541
Security deposits	37	–
	34,834	5,541

9 TRADE AND OTHER RECEIVABLES DUE IN LESS THAN ONE YEAR

	2005	2004
Amounts receivable from joint venture – Amantaytau Goldfields	3,530	529
Other debtors	2,344	973
Issued share capital unpaid	–	5,529
Prepayments	80	76
	5,954	7,107

10 EXPLORATION AND MINING PROPERTIES

The exploration and mining rights held at Khandiza, Uzbekistan are valued at \$28,456,000 (£16 million), based on the report to Marakand Minerals Limited by Wardell Armstrong International dated 28 November 2003. Included in the valuation is \$9,405,000 (2004: \$7,124,000) expenditure incurred to date on the project. Costs, which were incurred during the year in doing the detailed study to bankable standards and confirming this valuation, amounting to \$2,281,000 (2004: \$1,198,000) have been written off to the income statement. The Uzbekistan fiscal arrangements to be applied are currently under negotiation. The Company expects the costs of \$9,405,000 (2004: \$7,124,000) to be recoverable in full in the future through the increased value of the investment.

On 27 November 2003 the Company entered into a Warranty Deed relating to the Marakand Minerals Limited title to the Khandiza deposit, and has given certain undertakings, without limitation, to procure that Marakand Minerals Limited is the only party to the Primary Exploration Agreement (other than Goscomegeology) and the only party with rights under the Decree of the Cabinet of Ministers of Uzbekistan No.359 dated 17 October 2002.

The unrealised surplus arising from the revaluation of the exploration and mining rights amounted to \$16,296,000 after deducting \$12,160,000 attributable to minority interest.

The table below shows the Company's exploration and mining properties and related equipment.

	KYRGYZSTAN	UZBEKISTAN			Non mining assets	
	Jerooy	Amantaytau	Aristantau and Balpantau	Khandiza		Total
Costs						
As at 1 July 2004	9,470	2,197	687	28,456	241	41,051
Additions	13,535	5,782	–	–	25	19,342
Disposals	–	–	–	–	(101)	(101)
Transfer to joint venture	–	–	–	–	–	–
As at 30 June 2005	23,005	7,979	687	28,456	165	60,292
Depreciation						
As at 1 July 2004	–	–	–	–	48	48
Charge in the year	–	–	–	–	46	46
On disposals	–	–	–	–	(30)	(30)
As at 30 June 2005	–	–	–	–	64	64
Net book value						
As at 30 June 2004	9,470	2,197	687	28,456	193	41,003
As at 30 June 2005	23,005	7,979	687	28,456	101	60,228

The Jerooy project costs include \$1,037,000 of capitalised interest.

The table below shows the Company's non-mining assets.

	Office furniture	Computers and office equipment	Motor vehicles	Total
Cost				
As at 1 July 2004	140	–	101	241
Additions	–	25	–	25
Disposals	–	–	(101)	(101)
As at 30 June 2005	140	25	–	165
Depreciation				
As at 1 July 2004	28	–	20	48
Charge in the year	28	8	10	46
On disposals	–	–	(30)	(30)
As at 30 June 2005	56	8	–	64
Net book value				
As at 30 June 2004	112	–	81	193
As at 30 June 2005	84	17	–	101

The Company's interest in the Amantaytau Goldfields exploration area is predominantly held by Amantaytau Goldfields (2005: \$14,294,000; 2004: \$7,857,000), which is a joint venture, the details of which are disclosed in note 11. Expenditure on the area incurred directly by the Company only is disclosed above, until such time as it is transferred to the Amantaytau Goldfields loan account. The total book value attributed to the Company's share of deferred exploration and evaluation expenditure on the Amantaytau Goldfields exploration area is as follows:

	2005	2004
Oxus Gold plc	7,979	2,197
Amantaytau Goldfields AO (see note 11)	5,921	10,513
	13,900	12,710

On 13 August 2004 the State Agency for Geology and Mineral Resources of the Kyrgyz Republic informed the Company that the licence to develop the Jerooy project, held by Talas Gold Mining Company, had been annulled. The Company regards this annulment as being without foundation in law or fact, and construction at the Jerooy mine is continuing whilst the appropriate negotiations take place to have the annulment rescinded. The directors are of the opinion that the licence will be reinstated and that the Company's investment will be recoverable in full.

11 INVESTMENTS

Investments of the Company are analysed as follows:

	Investment in joint venture	Loans to joint venture	Investments	Total
As at 1 July 2004	7,857	14,438	–	22,295
Company's share of profits net of distributions	6,437	–	–	6,437
Additions	–	8,852	6,839	15,691
Revaluation	–	–	(1,117)	(1,117)
As at 30 June 2005	14,294	23,290	5,722	43,306

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
CONTINUED

INTEREST IN JOINT VENTURE AND ASSOCIATED COMPANY

Interests in shares of joint venture and associated company comprise:

Investment	Country of incorporation	Type of shares held	Proportion of shares held		Accounting reference date
			30 June 2005	30 June 2004	
Amantaytau Goldfields	Uzbekistan	Ordinary	50%	50%	31 December
Talas Gold Mining Company	Kyrgyzstan	Ordinary	66.7%	66.7%	31 December

Amantaytau Goldfields is a joint venture undertaking. The following information on Amantaytau Goldfields ('AGF') is disclosed from the joint venture's latest audited financial statements and management accounts. Figures are attributable to the Company.

	2005	2004
Turnover	25,188	9,650
Profit before tax	6,437	3,738
Profit after tax	6,437	3,738
Current assets	5,477	5,341
Construction of mine	26,940	9,990
Deferred exploration and evaluation expenditure	5,921	10,513
Gross assets	38,338	25,844
Liabilities due within one year	(15,356)	(10,403)
Liabilities due after more than one year	(8,688)	(7,584)
Gross liabilities	(24,044)	(17,987)
Net assets	14,294	7,857

The turnover represents the Company's attributable proceeds from the sale of 134,270 (2004:52,128) ounces of gold at the hedged rate of \$323.35 per ounce, and 24,400 ounces at an average spot price of \$419.13. Since the end of the year, AGF has delivered a further 55,760 ounces into the hedge leaving a balance of 20,938 ounces to be delivered to eliminate the hedge, or 8% of the original commitment of 263,096 ounces.

AGF has \$2,805,000 capital commitments outstanding in respect of the Vysokovoltnoye project as at 30 June 2005.

The \$35 million project finance loan provided by Standard Bank and West LB to finance the construction of the Amantaytau Goldfields Phase 1 Oxides project has been fully repaid. \$17.9 million was repaid during the year (2004: \$2 million), AGF repaid a further \$6.7 million after the year end, and the Company took over the balance of the debt of \$8.4 million.

The Company and OXUS Resources Corporation have jointly and severally guaranteed AGF's obligations under the bank loan facility (now owned by the Company), gold hedge and the interest rate hedge. The Company's loan will then become repayable out of surplus cash flow in the joint venture.

In addition, the Company has granted a first fixed charge over its shareholding in OXUS Resources Corporation. OXUS Resources Corporation and the other shareholders in AGF have granted a pledge over their shareholdings in AGF, and AGF has granted a pledge over its property, assets and property rights, and a fixed and floating charge over its assets and undertakings. These security arrangements apply until the gold hedge and the interest rate hedge have been eliminated, expected in November 2005, and the bank loan facility, now due to the Company, has been paid in full.

On 13 March 2004 the Company guaranteed to fund an AGF Phase 2 Project Development Fund. This Fund will be paid to the Uzbek Government by AGF as a licence fee in respect of the transfer to AGF of the underground shaft and related underground workings at the AGF site, which form an integral part of the Phase 2 Sulphides project and which are estimated by the directors to have a value of at least \$70 million. These assets have already been transferred to AGF. The Fund will be calculated as to the Uzbek Government's share (50%) of the positive difference between the actual world price of gold on the date of sale and the hedged gold price pursuant to the Gold Offtake Agreement signed with the lending banks on 15 April 2003 (as amended on 20 January 2004), subject to a maximum gold price of \$410 per ounce. AGF originally hedged 263,096 ounces of gold at \$323.35 per ounce over the period February 2004 to January 2006. The Fund has accrued on a monthly basis from the first date of sale of hedged gold and the Company has committed to transfer the appropriate monies to the Fund on a quarterly basis over the period February 2006 to May 2008. At 30 June 2005 the accrued Fund was \$7,543,395 (2004: \$1,760,781) (see note 12) and, at a \$410 per ounce gold price, the contingent liability in respect of the period July 2005 to January 2006 is estimated at \$2.8 million.

INVESTMENTS

	Shares held	2005	2004
Eurogold Limited (19.9%)	43,188,100	5,456	–
Ovoca Resources plc	1,636,821	266	–
Norplat Limited	511,980	–	–
		5,722	–

Eurogold Limited is listed on AIM and the Australian Stock Exchange, with exploration and gold mining operations in Romania and Ukraine. The investment is shown at the market value of the AIM listed shares as at 30 June 2005, which was 7 pence per share. The original cost of \$6,839,000, for shares acquired at an average price of 8.4 pence per share, has been written down by \$1,383,000 to capital reserve.

Since the year end, the Company agreed terms to acquire the balance of Eurogold's interests in its gold assets in Romania and the Ukraine as described in more detail in note 20.

Ovoca Resources plc is listed on AIM and the Irish Stock Exchange, with gold mining operations in Russia and Scandinavia. Ovoca has an option, valid for two years from 10 May 2005, to convert the holding in Norplat Limited into 563,178 shares in Ovoca. The Ovoca investment is shown at the market value of the AIM listed shares as at 30 June 2005, which was 9 pence per share. The original shares were acquired at nil cost as part of an exchange of information with Norplat Limited. The increased valuation difference of \$266,000 has been transferred to capital reserve.

12 TRADE AND OTHER PAYABLES DUE IN LESS THAN ONE YEAR

	2005	2004
Trade creditors	1,055	552
Income tax	17	14
Other taxes and social security	2	47
Accruals	48	72
Other creditors	63	56
AGF Phase 2 Project Development Fund (see note 11)	1,450	–
	2,635	741

TRADE AND OTHER PAYABLES DUE AFTER ONE YEAR

	2005	2004
AGF Phase 2 Project Development Fund (see note 11)	6,093	1,761

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
CONTINUED

13 MINORITY INTERESTS

	2005	2004
Talas Gold Mining Company	2	10
In net loss brought forward	–	(8)
Marakand Minerals Limited	14,123	14,668
Change in year	8	–
In net loss brought forward	(84)	(6)
In net loss incurred during the year	(1,191)	(539)
Balance as at 30 June 2005	12,858	14,125

All minority interests are equity interests.

14 CAPITAL STOCK

(a) Authorised

400,000,000 ordinary shares	1p par value
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The authorised share capital of the Company was increased from 300 million to 400 million shares on 16 December 2004.

(b) Changes in the capital stock of the Company were as follows:

Number of shares	2005			2004		
	Authorised	Issued	Valuation at par value	Authorised	Issued	Valuation at par value
Ordinary shares						
As at 1 July	300,000,000	220,286,215	3,289	300,000,000	194,886,815	2,824
Increased	100,000,000	–	–	–	–	–
Issued	–	27,200,000	527	–	6,000,000	108
Stock options exercised	–	528,334	10	–	16,350,473	301
Warrants exercised	–	–	–	–	2,429,696	45
Conversion of directors' remuneration to stock	–	32,794	1	–	619,231	11
Conversion of loan notes	–	33,970,000	659	–	–	–
Eurogold investment	–	5,000,000	95	–	–	–
As at 30 June	400,000,000	287,017,343	4,581	300,000,000	220,286,215	3,289

All of the issued share capital is fully paid.

During the year, the Company issued 27,200,000 shares for aggregate gross proceeds of \$26,370,000 (\$22,740,000 net of share issue costs).

A further 5,000,000 shares were issued at a valuation of \$5,118,000 in exchange for a 30 million share holding in Eurogold Limited and 33,970,000 shares out of a possible 34,000,000 shares were issued upon conversion of convertible loan notes for gross proceeds of \$32,934,000.

(c) Warrants

The table below shows details of outstanding warrants and movement in the year to 30 June 2005:

	2005 Number of warrants	2005 Exercise price (GBP)	2004 Number of warrants	2004 Exercise price (GBP)
Warrants outstanding, beginning of year	750,000	0.10-0.25	8,179,696	0.10-0.38
Cancelled	–	–	(5,000,000)	0.1525
Exercised	–	–	(376,672)	0.38
Exercised	–	–	(500,000)	0.10
Exercised	–	–	(1,553,024)	0.1025
Warrants outstanding, end of year	750,000	0.10-0.25	750,000	0.10-0.25

On 4 August 2003 the Company cancelled 5,000,000 warrants for shares exercisable at £0.1525 per share, due to the failure by the grantee to provide the consideration for which such warrants were issued. The grantee has disputed this cancellation, which is now the subject of litigation.

(d) Stock options

The table below shows details of outstanding stock options and movement in the year to 30 June 2005:

	2005 Number of options	2005 Exercise price (GBP)	2004 Number of options	2004 Exercise price (GBP)
Stock options outstanding, beginning of year	9,331,667	0.12-0.7875	17,027,140	0.12-0.45
Granted	–	–	200,000	0.2175
Granted	–	–	125,000	0.22
Granted	–	–	100,000	0.225
Granted	–	–	100,000	0.235
Granted	–	–	100,000	0.4625
Granted	500,000	0.54	7,610,000	0.54
Granted	–	–	500,000	0.5575
Granted	–	–	20,000	0.62
Granted	–	–	100,000	0.7875
Reinstated	130,000	0.15	–	–
Exercised	(320,000)	0.12	(13,837,250)	0.12
Exercised	(66,667)	0.2175	(2,500,000)	0.2175
Exercised	(136,667)	0.15	(13,223)	0.15
Exercised	(5,000)	0.54	–	–
Lapsed	–	–	(200,000)	0.15
Lapsed	(133,333)	0.2175	–	–
Lapsed	(100,000)	0.4625	–	–
Lapsed	(3,000,000)	0.54	–	–
Lapsed	(20,000)	0.62	–	–
Stock options outstanding, end of year	6,180,000	0.12-0.7875	9,331,667	0.12-0.7875
Exercisable at year-end	5,288,333	0.12-0.7875	495,000	0.12-0.4625

	Exercise price (USD)		Exercise price (USD)	
Stock options outstanding, beginning of year	–	–	100,000	0.45
Lapsed	–	–	(100,000)	0.45
Stock options outstanding, end of year	–	–	–	–
Exercisable at year-end	–	–	–	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
CONTINUED

13 MINORITY INTERESTS

	2005	2004
Talas Gold Mining Company	2	10
In net loss brought forward	–	(8)
Marakand Minerals Limited	14,123	14,668
Change in year	8	–
In net loss brought forward	(84)	(6)
In net loss incurred during the year	(1,191)	(539)
Balance as at 30 June 2005	12,858	14,125

All minority interests are equity interests.

14 CAPITAL STOCK

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400,000,000 ordinary shares	1p par value
-----------------------------	--------------

The authorised share capital of the Company was increased from 300 million to 400 million shares on 16 December 2004.

(b) Changes in the capital stock of the Company were as follows:

Number of shares	2005			2004		
	Authorised	Issued	Valuation at par value	Authorised	Issued	Valuation at par value
Ordinary shares						
As at 1 July	300,000,000	220,286,215	3,289	300,000,000	194,886,815	2,824
Increased	100,000,000	–	–	–	–	–
Issued	–	27,200,000	527	–	6,000,000	108
Stock options exercised	–	528,334	10	–	16,350,473	301
Warrants exercised	–	–	–	–	2,429,696	45
Conversion of directors' remuneration to stock	–	32,794	1	–	619,231	11
Conversion of loan notes	–	33,970,000	659	–	–	–
Eurogold investment	–	5,000,000	95	–	–	–
As at 30 June	400,000,000	287,017,343	4,581	300,000,000	220,286,215	3,289

All of the issued share capital is fully paid.

During the year, the Company issued 27,200,000 shares for aggregate gross proceeds of \$26,370,000 (\$22,740,000 net of share issue costs).

A further 5,000,000 shares were issued at a valuation of \$5,118,000 in exchange for a 30 million share holding in Eurogold Limited and 33,970,000 shares out of a possible 34,000,000 shares were issued upon conversion of convertible loan notes for gross proceeds of \$32,934,000.

The stock options have been recorded in accordance with IFRS 2. The Actuarial Binomial assumptions used in determining the valuation are as follows:

Actuarial binomial assumptions	Valuation				
	Average volatility	Average risk-free interest rate	Total fair value	To be expensed as at 30 June 2005 in the 2006 accounts	Unexpensed as at 30 June 2005
Option price					
0.40	55%	4.75%	148	93	55

Of the above amount to be expensed as at 30 June 2005 in the 2006 accounts \$40,000 relates to minority interests.

(e) Reserves

The merger reserve has arisen following the merger of various group companies in 2001.

The capital reserve has arisen following the flotation of Marakand Minerals Limited.

Following court approval \$24,221,000 was transferred from the Company's share premium account to distributable reserves on 5 February 2004. There was then a subsequent distribution of 21,157,732 Marakand Minerals Limited shares to Oxus shareholders, valued at 45.5 pence per share, amounting to \$17,490,000 paid from this distributable reserve.

15 PROFIT PER SHARE

Basic profit per share

The calculation of basic profit per share of US cents 0.92 (2004: US cents 5.32) is based on the net profit attributable to ordinary shareholders of \$2.28 million (2004: \$10.89 million) and a weighted average number of ordinary shares during the year of 248,790,894 (2004: 204,519,144).

16 OPERATING LEASE COMMITMENTS

Non-cancellable operating lease rentals are payable as follows:

	2005	2004
Less than one year	360	287
Between one and five years	67	294
	427	581

The Company rents three office properties under operating leases.

The leases in respect of these properties expire in May 2006 (United Kingdom), June 2006 (Malta) and December 2006 (Central Asia).

Recognised in the income statement for the period are costs of \$399,000 (2004: \$374,000) in respect of leases.

17 COMMITMENTS

Talas Gold Mining Company had \$1,823,000 capital commitments outstanding in respect of the Jerooj project as at 30 June 2005.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
CONTINUED

18 DIRECTORS' EMOLUMENTS

Analysis of remuneration and fees of the directors who served during the year or previous period:

Name	Year	Base salary	Other compensation	Bonus	Total	Share options held at year end
Directors						
William Trew	2005	284	2	–	286	2,000,000
Chief Executive Officer	2004	250	1	940	1,191	2,000,000
Jonathan Kipps	2005	237	1	–	238	1,300,000
Finance director	2004	209	2	609	820	1,300,000
Richard Wilkins	2005	237	1	–	238	1,300,000
Executive director & Secretary	2004	209	1	254	464	1,300,000
Richard Shead	2005	66	1	–	67	–
Executive director (resigned 24 September 2004)	2004	209	2	1,057	1,268	1,300,000
John Donald	2005	73	1	–	74	–
Executive director (retired 30 September 2004)	2004	209	2	609	820	1,300,000
Michael Beckett	2005	–	–	–	–	–
Non-executive chairman (resigned 8 December 2004)	2004	18	–	–	18	470,000
Mark Wellesley-Wood	2005	8	–	–	8	–
Non-executive director (resigned 8 December 2004)	2004	19	–	–	19	125,000
Daniel Kappes	2005	8	–	–	8	–
Non-executive director (resigned 28 February 2005)	2004	19	–	–	19	125,000
Douglas Sutherland	2005	9	–	–	9	250,000
Non-executive director (appointed 12 October 2004)	2004	–	–	–	–	–
Oliver Prior	2005	9	–	–	9	250,000
Non-executive director (appointed 12 October 2004)	2004	–	–	–	–	–

William Trew is also a non-executive director of Marakand Minerals Limited and received fees of \$17,000 during the year (2004: \$12,000) and holds 450,000 options.

19 RELATED PARTY TRANSACTIONS

MAED Limited

William Trew is a director of MAED Limited. MAED was the Company's principal construction contractor for the Amantaytau Goldfields Phase 1 Oxides project in Uzbekistan and is the construction adviser to the Jerooj project in Kyrgyzstan. MAED has given the Company undertakings and the board is satisfied that all commercial transactions and relationships between MAED (or any of its associates) and the Company are at arm's length and on a normal commercial basis.

Certified payments have been made as follows:

	2004	2005	Outstanding as at 30 June 2005	Total project cost for period
AGF				
Main contract	11,212	–	226	11,438
Ancillary works	6,358	162	3,547	10,067
New leach tanks	–	95	248	343
Vysokovoltnoye	–	242	65	307
Talas Gold Mining Company				
Jerooj				
Engineering works	234	–	–	234
Feasibility study	–	15	684	699
Prefabricated building contract	1,448	343	127	1,918
Prefabricated building contract variations	–	500	4	504
Plant equipment supply	–	1,964	–	1,964
Marakand Minerals Limited				
Khandiza	98	42	1	141
	19,350	3,363	4,902	27,615

20 POST BALANCE SHEET EVENTS

Nedbank Limited corporate loan facility

On 26 August 2005 Nedbank Limited granted credit approval for a \$20 million corporate loan facility for the Company. The loan is to be repaid over 4 years from drawdown and has an interest rate of 2.75% above 3 month LIBOR. The loan will be secured on subsidiary company shares and loans. The facility is to be used to refinance the acquisition of the balance of the AGF project finance loan to refinance the capital expenditure on the Vysokovoltnoye project at AGF and to provide working capital.

Shares issued to directors

During the period 1 July 2005 to 15 September 2005 shares have been issued in respect of capitalised remuneration as follows: Oliver Prior – 4,739 shares; and Douglas Sutherland – 4,739 shares.

Eurogold Limited

On 14 July 2005 the Company agreed certain principal terms with Eurogold Limited to acquire its gold assets in Romania and the Ukraine. The transaction is conditional on a number of conditions precedent which include the satisfactory completion of full due diligence, finalisation of legal documentation, the receipt of regulatory and government approvals, valuations of the assets by an independent expert and the approval of the board.

Guarantee for AGF Drilling Rigs

On 4 July 2005 the Company guaranteed \$643,000 to Atlas Copco Customer Finance AB for hire purchase payments on two drill rigs being acquired by AGF over a five year period to 30 November 2010.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
CONTINUED

21 OXUS GOLD PLC INDIVIDUAL COMPANY

Exploration and mining properties

The table below shows the Company's exploration and mining properties non-mining assets.

	Office furniture	Computer equipment	Total
Cost			
As at 1 July 2004	140	–	140
Additions	–	11	11
Disposals	–	–	–
As at 30 June 2005	140	11	151
Depreciation			
As at 1 July 2004	28	–	28
Charge in the year	28	4	31
As at 30 June 2005	56	4	59
Net book value			
As at 30 June 2004	112	–	112
As at 30 June 2005	84	7	91

Investments

Investments of the Company are analysed as follows:

	Loans to joint venture	Investments	Total
As at 1 July 2004	–	–	–
Additions	3,748	6,839	10,587
Revaluation	–	(1,117)	(1,117)
As at 30 June 2005	3,748	5,722	9,470

See also note 11 for further details.

Investment in subsidiaries

The following companies are owned by Oxus Gold plc:

	Registered	Holding
Oxus Holdings (Malta) Limited	Malta	100%
Marakand Minerals Limited	Guernsey	57.23%
	2005	2004
Oxus Holdings (Malta) Limited	416,010	416,010
Marakand Minerals Limited	20,870	35,022
	436,880	451,032

The investment in Oxus Holdings (Malta) Limited comprises 10,000 shares and 416,000,000 redeemable preference shares (100% of issued capital).

The investment in Marakand Minerals Limited represents 57,817,918 shares (57.23% of issued capital).

The investment is shown at the market value of the AIM listed shares as at 30 June 2005, which was 20 pence (2004: 33.5 pence) per share. The original valuation at 45 pence per share has been written down by a further \$14,152,000 (2004: \$12,267,000) from \$47,289,000.

Trade and other receivables due in less than one year

	2005	2004
Amounts receivable from joint venture – Amantaytau Goldfields	3,248	263
Other debtors	657	258
Issued share capital unpaid	–	5,529
Prepayments	75	76
Amounts receivable from subsidiary undertakings	39,764	1,975
	43,744	8,101

Trade and other payables due in less than one year

	2005	2004
Trade creditors	497	450
Other taxes and social security	–	45
Accruals	9	49
Other creditors	–	1
Amounts payable to subsidiary undertakings	33,422	42,997
AGF Phase 2 Project Development Fund (see note 11)	1,451	–
	35,379	43,542

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
CONTINUED

Statement of changes in reserves

(US\$000)	Capital reserve	Accumulated profit	Total
Balance as at 1 July 2003	18,827	(1,612)	17,215
Shares issued	6,368	–	6,368
Warrants and options exercised	4,368	–	4,368
Conversion of directors' remuneration to shares	519	–	519
Transfer to distributable reserve, February 2004	(24,221)	24,221	–
Revaluation reserve			
Capital reserve arising on revaluation of investment in Marakand Minerals Limited	(12,267)	–	(12,267)
Distribution of Marakand Minerals Limited shares	–	(17,490)	(17,490)
Profit for the year	–	413,002	413,002
Balance as at 1 July 2004	(6,406)	418,121	411,715
Shares issued	59,511	–	59,511
Warrants and options exercised	136	–	136
Conversion of directors' remuneration to shares	32	–	32
Capital reserve arising on revaluation of investment in Marakand Minerals Limited	(14,152)	–	(14,152)
Capital reserve arising on revaluation of investments:			
Eurogold Limited	(1,383)	–	(1,383)
Ovoca Resources plc	266	–	266
Loss for the year	–	(3,311)	(3,311)
Balance as at 30 June 2005	38,004	414,810	452,814

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the fifth Annual General Meeting of Oxus Gold plc (the "Company") will be held at 105 Piccadilly, London, W1J 7NJ on 25 November 2005 at 11.30 am for the purpose of considering and if approved, passing, the following resolutions, all of which will be proposed as ordinary resolutions, with the exception of resolutions 6 and 7 which will be proposed as special resolutions:

1. To receive the Report of Directors and Audited Accounts for the year ended 30 June 2005.
2. To re-elect Mr William Trew as a director of the Company.
3. To re-elect Mr Richard Wilkins as a director of the Company.
4. To re-appoint BDO Isle of Man as auditors of the Company to hold office until the conclusion of the next general meeting at which audited accounts are laid before the Company and to authorise the directors to determine their remuneration.
5. THAT the directors of the Company be and they are hereby generally and unconditionally authorised, in accordance with section 80 of the Companies Act 1985 (the "Act"), in substitution for but without prejudice to all previous general powers granted to the directors of the Company for the purpose of section 80 of the Act, to allot relevant securities (within the meaning of section 80 of the Act) up to an aggregate nominal amount of £861,108 provided that this authority shall expire on the earlier of the date of the 2010 Annual General Meeting of the Company and 24 November 2010 unless and to the extent that such authority is renewed or revoked prior to such date by the Company in general meeting (save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry, and the directors of the Company may allot relevant securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired.)

Special Resolutions

6. THAT subject to the passing of resolution 5 above, the directors of the Company be and they are hereby empowered pursuant to section 95 of the Act, in substitution for but without prejudice to all previous powers conferred upon the directors of the Company for the purpose of section 95 of the Act, to allot equity securities (within the meaning of section 94(2) of the Act) of the Company for cash pursuant to the authority conferred by resolution 5 above and to transfer equity securities (within the meaning of section 94 of the Act) which are held by the Company in treasury as if section 89(1) of the Act did not apply to any such allotment

PROVIDED THAT this power shall be limited to:

- (a) in connection with an issue by way of rights (including, without limitation, under a rights issue, open offer or similar arrangement) to holders of equity securities (as defined above) (and to holders of any other securities the terms of issue of which, or to any other persons whose agreements with the Company, entitle them to participate in such an issue) in proportion as nearly as may be to their respective holdings of such securities or in accordance with the rights attaching thereto subject to such exclusions as the directors of the Company may deem necessary or expedient to deal with fractional entitlements, record dates or other legal or practical problems arising under the laws or requirements of any recognised regulatory body or any stock exchange or in any regulatory territory or otherwise howsoever; and
- (b) the allotment of equity securities (otherwise than pursuant to paragraph 6(a) above) up to a maximum aggregate nominal amount of £574,072 (or, in the case of equity securities conferring the right to acquire shares, to the allotment of equity securities conferring the right to acquire shares up to an aggregate nominal value of £574,072) for any other purpose;

NOTICE OF ANNUAL GENERAL MEETING

CONTINUED

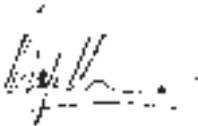
and PROVIDED FURTHER that such authority shall expire on the earlier of the date of the 2006 Annual General Meeting of the Company and 15 months from the date of this resolution (save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry, and the directors of the Company may allot equity securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired.)

7. THAT the Articles of Association of the Company be altered by the deletion of Article 159 and the substitution therefor of the following new Article: "Subject to the provisions of the Act, but without prejudice to any indemnity to which he may otherwise be entitled, every Director or other officer of the Company (except the Auditors) shall be entitled to be indemnified out of the assets of the Company against any liability incurred by him for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company, provided that this Article 159 shall be deemed not to provide for, or entitle any such person to, indemnification to the extent that it would cause this Article 159, or any element of it, to be treated as void under the Act."

Dated 22 September 2005

By Order of the Board
Registered Office:

105 Piccadilly
London W1J 7NJ



R V L Wilkins
SECRETARY

Notes

1. A member entitled to attend and vote at the Annual General Meeting may appoint one or more proxies to attend and, on a poll, vote on his behalf. A proxy need not be a member of the Company.
2. A Form of Proxy is enclosed. To be valid, Forms of Proxy must be lodged with the Company's Registrars Capita Registrars Proxy Department, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU not less than 48 hours before the time appointed for the Annual General Meeting.
3. Completion of a Form of Proxy will not prevent a member from attending and voting in person at the Annual General Meeting if the member so wishes.
4. The Company, pursuant to regulation 41(1) of the Uncertificated Securities Regulations 2001, specifies that only those Shareholders registered in the Register of Members of the Company as at 11.30 am on 23 November 2005 shall be entitled to attend and vote at the Annual General Meeting in respect of the number of Ordinary Shares registered in their name, or deemed registered in their name, at the relevant time. Changes to entries in the Register of Members after 11.30 am on 23 November 2005 shall be disregarded in determining the rights of any person to attend and vote at the Annual General Meeting.
5. Copies of the directors' service contracts and the register of directors' shareholdings are available for inspection during usual business hours on any weekday (public holidays excepted) at the Company's registered office and they will also be available at the place of the Annual General Meeting from fifteen minutes prior to the meeting until its close.

EXPLANATORY NOTES ON THE RESOLUTIONS

Resolution 1: Report and Accounts

The directors must present to shareholders at the Annual General Meeting the Directors' Report and Accounts and the Auditors' Report for the year ended 30 June 2005.

Resolutions 2 & 3: Re-election of Directors

Each of William Trew and Richard Wilkins are retiring by rotation at the Annual General Meeting in accordance with the Company's Articles of Association and are offering themselves for re-election.

Their biographical details are given on page 34.

Resolution 4: Re-appointment and remuneration of Auditors

This resolution proposes the re-appointment of BDO Isle of Man as auditors, and permits the directors to fix their remuneration.

Resolution 5: Authority to Allot Shares for Cash or Non-cash Consideration

This resolution grants an authority for the directors to allot shares for cash or non-cash consideration up to thirty per cent of the amount of the issued share capital of the Company as at the date of this Notice. The authority shall expire on 24 November 2010 or, if earlier, at the conclusion of the 2010 Annual General Meeting. The directors consider this necessary in order to give them flexibility to deal with opportunities as they arise, subject to the restrictions as contained in the resolution.

Resolution 6: Authority to Allot Shares for Cash

This resolution grants an authority for the directors to allot the shares authorised in resolution 5 without regard to the statutory pre-emption rights in relation to future offers of securities by means of a rights issue, placing and open offer or similar issue in which shareholders are offered shares. It also grants an authority to the directors to allot shares for cash up to twenty per cent of the amount of the issued share capital of the Company as at the date of this Notice. The authority shall expire 15 months from the date of the passing of the resolution or, if earlier, at the conclusion of the 2006 Annual General Meeting. The directors consider this necessary in order to help fund the ongoing development of the Amantaytau Goldfields Phase 2 Sulphide project in Uzbekistan, to improve liquidity in the shares of the Company and to give the directors of the Company flexibility to deal with opportunities as they arise, subject to the restrictions as contained in the resolution.

Resolution 7: Amendment to Articles of Association

The provisions of the Companies (Audit, Investigations and Community Enterprise) Act 2004 (the 2004 Act), which came into force on 6 April 2005, have amended the Companies Act 1985 (the Act) by the insertion of new sections 309A, 309B, 309C and 337A which extend: (i) the circumstances in which a company may indemnify its directors for liabilities incurred in connection with such office; and (ii) the circumstances in which a company may fund a director's expenditure on defending criminal or civil proceedings brought against him. Therefore from 6 April 2005, public limited companies and private companies have been able to grant wider-ranging indemnities to directors. The new law has been introduced because of concerns about directors' exposure to personal claims from third parties. Significantly: (i) Directors can be indemnified in civil proceedings brought by a third party (not the Company) for both costs of fighting the case and liabilities incurred, even if they are on the losing side; (ii) Directors can be indemnified for costs in regulatory proceedings even if the directors are on the losing side. If a claim is brought by the Company, a director's defence costs can be paid for by the Company, but they have to be repaid if he loses. The proposed amendment to the Articles of Association will permit the Company to indemnify the Directors and other officers of the Company in accordance with these provisions of the 2004 Act. The board of the Company intends to execute a deed poll in favour of each director of the Company granting them an indemnity in accordance with the Act.

DIRECTORS, MANAGEMENT, CONTACTS AND ADMINISTRATION

William Trew, B.Eng. (Mech.) Hon., M.Eng
Chief Executive Officer
26 years' experience in the engineering and mining industry. Non-executive chairman and founder of MAED Limited. Joined the board in November 2002.

Richard Wilkins, MA, FCA
Director & Secretary
Has been conducting business in Central Asia since 1991 and is one of the founders of the Oxus Group. Joined the board in April 2001.

Jonathan Kipps, B.Comm, CA (SA), Dip Tax Law (UCT)
Director, finance
A South African chartered accountant, with an extensive corporate and project finance background. Joined the board in November 2002.

Douglas Sutherland, CA
Non-executive director
Has over 40 years' experience in banking of which 34 years were with Nedbank Group holding senior positions in Johannesburg and London in investment banking and commercial lending. Joined the board in October 2004.

Oliver Prior, ACII
Non-executive director
Has over 40 years' experience in insurance brokerage and has served in several directorial roles for a number of Lloyd's insurance broking companies prior to joining Willis Faber and Dumas Limited. Currently a senior consultant with The FirstCity Partnership Limited. Joined the board in October 2004.

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105 Piccadilly
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Fax: +44 (0) 20 7907 2001
Email: oxus@oxusgold.co.uk
Registered in England: 4056219

Oxus Holdings (Malta) Limited
Registered Office
136 St Christopher Street
Valletta
VLT05 Malta
Tel: +356 2122 1242
Fax: +356 2124 3219

Oxus Resources Corporation
Registered Office
136 St Christopher Street
Valletta
VLT05 Malta
Tel: +356 2122 1242
Fax: +356 2124 3219

Administration Office – for Oxus Holdings (Malta) Limited and Oxus Resources Corporation
Dolphin Court
Embassy Way
Ta'xbiex
Malta

Oxus Services Limited
Registered Office
105 Piccadilly
London W1J 7NJ UK
Tel: +44 (0) 20 7907 2000
Fax: +44 (0) 20 7907 2001
Email: oxus@oxusgold.co.uk
Registered in England: 2858731

Representative Office
(Uzbekistan):
63 V Vakhidov Street
Yakkasarayskiy district
700031 Tashkent
Uzbekistan
Tel: +998 71 1206864
Fax: +998 71 1206565
Email: oxustas@buzton.com

Norox Mining Company Limited
70a Lva Tolstogo Street
720017 Bishkek
Kyrgyzstan
Tel: +996 312 662464
Fax: +996 312 660679
Email: tgmcoff@elcat.kg

Company Secretary
Richard Wilkins

Nominated Adviser and Broker
Canaccord Capital (Europe) Limited
1st Floor Brook House
27 Upper Brook Street
London W1K 7QF UK

Media and Communications
Bankside Consultants Limited
1 Frederick's Place
London EC2R 8AE UK

Auditors
BDO Isle of Man
9 Myrtle Street
Douglas
Isle of Man IM1 1ED
British Isles

Solicitors
Clifford Chance
10 Upper Bank Street
London E14 5JJ UK

Norton Rose
Kempson House
Camomile Street
London EC3A 7AN UK

Mining Industry Consultants
Wardell Armstrong International Limited
Wheal Jane, Baldhu
Truro
Cornwall TR3 6EH UK

Bankers
HSBC
HSBC House
Ridgeway Street, Douglas
Isle of Man IM99 1AU
British Isles

Registrars
Capita Registrars
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU UK

SENIOR MANAGEMENT

GROUP

Darryl Norton - Project Director
Stephen Westhead - Chief Geologist
Geoff McLoughlin - Chief Metallurgist
Terry Kung - Chief Accountant
Alexander Polikashin - Head of Uzbekistan Representative Office

AMANTAYTAU GOLDFIELDS

Derek Webbstock - General Director
Sergey Salamatin - Deputy General Director
Richard Gilroy - Chief Engineer
Peter Joubert - Chief of Security
Bakhrom Jalolov - Plant Manager
Shaun Ball - Mining Manager
Julian Woodcock - Chief Geologist
Bertie Brink - Financial Manager
Bobir Narziev - Chief Accountant

TALAS GOLD MINING COMPANY

Stephen Westhead - General Director
Fred Huston - Director
Franz Schlosser - General Manager
Jyldyz Chekirova - Chief Accountant



ANNUAL REPORT & ACCOUNTS 2005
RICH IN NATURAL RESOURCES

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DIRECTORS' REPORT

The directors present their report together with the audited financial statements of the Company for the year ended 30 June 2005.

PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS DEVELOPMENTS

The Company's principal activities during the year were: i) the development of its core projects, including the production of 166,318 ounces of gold from the Amantaytau Goldfields Phase 1 Oxides project and the commencement of construction and mining at the Amantaytau Goldfields Vysokovoltnoye silver/gold heap leach project, and ii) the continuation of mine construction at Jerooy. The Company's shares trade on the Alternative Investment Market ("AIM") of the London Stock Exchange.

The Company has taken the decision to present its financial statements under International Accounting Standards. This is a demonstration of the Company's commitment to best practise as well as presenting the annual results in a format appropriate to the international markets in which the Company operates.

Reviews of activities, business developments and projects are included in the Chairman's Statement and the Chief Executive Officer's Review.

RESULTS AND DIVIDEND

Details of the results for the financial year are set out in the consolidated income statement on page 8.

The directors do not recommend the payment of a dividend in respect of the year under review.

DIRECTORS AND THEIR INTERESTS

The directors who served during the period since 1 July 2004 were:

Michael E Beckett	(Non executive chairman, resigned 8 December 2004)
William J Trew	(Chief executive officer)
John C Donald	(Executive, retired 30 September 2004)
Jonathan A Kipps	(Executive)
Richard B Shead	(Executive, resigned 24 September 2004)
Richard V L Wilkins	(Executive)
Douglas M Sutherland	(Non executive, appointed 12 October 2004)
Oliver Prior	(Non executive, appointed 12 October 2004)
Daniel W Kappes	(Non executive, resigned 28 February 2005)
Mark M Wellesley-Wood	(Non executive, resigned 8 December 2004)

On 15 September 2005 the directors' interests were as follows:

	Ordinary shares	Options over Ordinary shares
William J Trew	6,338,572	2,000,000
Jonathan A Kipps	3,042,756	1,300,000
Richard V L Wilkins	4,116,239	1,300,000
Douglas M Sutherland	163,159	250,000
Oliver Prior	61,159	250,000

In accordance with the Company's Articles of Association at least one-third of the directors must retire by rotation at each Annual General Meeting, and they may stand for re-appointment at the meeting. Accordingly the directors retiring by rotation are William Trew and Richard Wilkins. Both, being eligible, offer themselves for re-appointment.

DIRECTORS' REPORT

CONTINUED

The retiring directors, William Trew and Richard Wilkins, have service contracts with unexpired terms of more than one year, which commenced on 12 June 2003 and have been extended to 31 July 2007.

CORPORATE GOVERNANCE

The directors seek, as far as is considered appropriate having regard to the size and nature of activities of the Company, to comply with the Combined Code on Corporate Governance applicable to listed companies. The board is assisted in this regard by a number of committees with delegated authority:

AUDIT COMMITTEE

The Company has an audit committee, which currently comprises Douglas Sutherland and Oliver Prior. The committee meets at least twice a year and at any other time when it is appropriate to discuss audit, accounting or control issues. The committee will meet the external auditors, without the executive board members being present, to review accounting and internal control matters. The committee's principal objectives are to review annual and interim financial statements; to review accounting policies; to review with management and the Company's external auditors the effectiveness of internal controls; and to review with the Company's external auditors the scope and results of their audit. Douglas Sutherland chairs the audit committee.

REMUNERATION AND NOMINATIONS COMMITTEE

The remuneration and nominations committee members are Douglas Sutherland and Oliver Prior, who review the performance of the executive directors and set the scale and structure of their remuneration and the basis of their service agreements. In determining remuneration, the committee seeks to enable the Company to attract and retain executives of the highest calibre. The committee also makes recommendations to the board concerning allocation of share options to employees. No directors participate in discussions or decisions concerning their own remuneration. This committee is also responsible for nominating candidates, for the approval of the board, to fill either executive or non-executive vacancies or additional appointments to the board. Oliver Prior chairs the remuneration and nominations committee.

INDEPENDENT COMMITTEE

The independent committee currently comprises Douglas Sutherland and Oliver Prior. Douglas Sutherland acts as the senior independent director. The committee is responsible for overseeing related party transactions.

SHARE CAPITAL

The details of the Company's share capital are included in note 14 to the financial statements.

The Company's operations for the period were financed through the placing of 27.2 million shares at £0.50 per share in December 2004, raising £13.6 million gross (\$26.4 million), and the issue of 33.97 million shares at £0.50 per share from the holders of convertible loan notes, raising £17 million gross (\$32.9 million) and the exercising of 528,334 options and nil warrants during the year raising £94,000 (\$146,000). 5 million shares were issued at £0.54 per share in February 2005, in return for an equity stake of 30 million shares in Eurogold Limited, representing 16.49% of the issued share capital, at a cost of £2.7 million (\$5.1 million). The costs of the share issue in December 2004 amounted to \$3.6 million.

As at 15 September 2005, the Company was aware of the following holdings of 3% or more in the Company's issued share capital:

	Number of Oxus Gold plc shares	Approximate percentage of the Company's issued share capital
RAB Capital plc	57,685,059	20.10%
Fidelity International Limited	28,115,866	9.80%
MAED Limited	26,360,717	9.18%
L-R Managers, LLC	16,769,520	5.84%
Carmignac Gestion	11,997,900	4.18%
The Capital Group Companies, Inc	11,600,000	4.04%

In addition to the above the directors of the Company own 13,721,885 shares (4.78%).

FINANCIAL REVIEW

The Company's income from operations was \$3,678,000, together with income attributable, in the year ended 30 June 2005, of \$6,437,000 from Amantaytau Goldfields. The gold produced during the year amounted to 166,318 ounces.

The \$35 million project finance loan provided by Standard Bank and West LB to finance the construction of the Amantaytau Goldfields Phase 1 Oxides project has been fully repaid. \$17.9 million was repaid during the year (\$2.0 million in 2004), Amantaytau Goldfields repaid a further \$6.7 million after the year end and the Company took over the balance of the debt of \$8.4 million.

At the time of this report, Amantaytau Goldfields had less than 8% of its original hedge commitment of 263,096 ounces outstanding, at 20,938 ounces. This hedge will be eliminated during November 2005.

Since the year end, the Company has received credit approval from Nedbank Limited to provide a \$20 million corporate loan facility.

CURRENCY

The functional currency of the Company is the US dollar and therefore the consolidated financial statements are stated in this currency.

PAYMENTS TO CREDITORS

The Company's policy is to settle the terms of payment with its suppliers when agreeing the terms of each transaction, either by accepting the suppliers' terms or by making the suppliers aware of alternative terms, and to abide by the agreed terms. Trade creditors of the Company at 30 June 2005 represented 52 days of annual purchases.

DIRECTORS' REPORT

CONTINUED

GOING CONCERN

Based on a review of the Company's budgets and cash flow plans, the directors are satisfied that the Company has sufficient resources to continue its operations and to meet its commitments for the foreseeable future.

AUDITORS

A resolution to re-appoint the auditors of the Company, BDO Isle of Man, will be proposed at the forthcoming Annual General Meeting. BDO Isle of Man have expressed their willingness to continue as auditors of the Company.

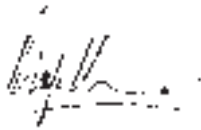
POST BALANCE SHEET EVENTS

Details of post balance sheet events are provided in note 20 to the financial statements.

By order of the board



William Trew
Chief Executive Officer
22 September 2005



Richard Wilkins
Director/Secretary
22 September 2005

MANAGEMENT'S REPORT TO SHAREHOLDERS

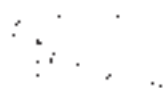
The accompanying Consolidated Financial Statements of Oxus Gold plc are the responsibility of the directors. The financial and operating information presented in this Annual Report is consistent with that shown in the Consolidated Financial Statements.

The Consolidated Financial Statements have been prepared by Management, on behalf of the board, in accordance with the accounting policies disclosed in the Notes to the Consolidated Financial Statements. Where necessary, Management has made informed judgements and estimates in accounting for transactions which were not complete at the balance sheet date. In the opinion of Management, the Consolidated Financial Statements have been prepared within acceptable limits of materiality and are in accordance with United Kingdom and International Financial Reporting Standards appropriate to the circumstances.

Management maintains appropriate systems of internal controls. Policies and procedures are designed to give reasonable assurance that transactions are properly authorised, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

An independent firm of Chartered Accountants, as appointed by the Shareholders, examines the Consolidated Financial Statements in accordance with United Kingdom and International Financial Reporting Standards and provides an independent professional opinion.

The board of Directors carries out its responsibility for the financial reporting and internal controls principally through an Audit Committee. The Committee has met with external auditors and Management in order to determine if Management has fulfilled its responsibilities in the preparation of the Consolidated Financial Statements. The Consolidated Financial Statements have been approved by the board of Directors on the recommendation of the Audit Committee.



William Trew
Chief Executive Officer



Jonathan Kipps
Finance Director

AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF OXUS GOLD PLC

We have audited the financial statements of Oxus Gold plc for the year ended 30 June 2005, which comprise the Consolidated Balance Sheet, Company Balance Sheet, the Consolidated Statements of Income, Changes in Shareholders' Equity and Cash Flows, and the related notes numbered 1 to 21. These financial statements have been prepared under the accounting policies set out therein.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

Company law requires the directors to prepare financial statements for each financial period which 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 judgements and estimates that are reasonable and prudent; and
- 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 which disclose with reasonable accuracy at any time the financial position of the Company and to 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.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom auditing standards issued by the Auditing Practices board. 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. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in to whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' and Management Report are not consistent with the financial statements, if 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' fees and transactions with the Company is not disclosed.

We read the Directors' and Management's Reports and 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.

EXPLORATION AND MINING RIGHTS

In forming our opinion we have considered the adequacy of the disclosures made in the financial statements concerning the valuation of exploration and mining rights. The valuation included in the consolidated balance sheet is dependent on the successful development of economic reserves including the ability to raise sufficient finance to develop the project. We draw attention to further detail given in note 10. Our opinion is not qualified in this respect.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with United Kingdom Auditing Standards 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 judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion the financial statements give a true and fair view of the state of affairs of the Group at 30 June 2005 and of the profit and cash flows of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



BDO Isle of Man

Chartered Accountants & Registered Auditors

Douglas, Isle of Man

22 September 2005

CONSOLIDATED INCOME STATEMENT

(US\$000)	Note	Year ended 30 June 2005	Year ended 30 June 2004
Revenue			
Gross revenue		3,678	1,932
Income attributable from joint venture	11	6,437	3,738
		10,115	5,670
Expenses			
Administration expenses		(3,067)	(5,832)
Deferred exploration and evaluation expenditure incurred by Marakand Minerals Limited	10	(2,281)	(1,198)
Gross profit (loss)		4,767	(1,360)
Foreign exchange (loss) gain	5	(1,487)	545
Legal costs arising from abortive 2002 project financing		(1,410)	(634)
Legal costs arising on the application to court to convert the share premium to distributable reserves		–	(156)
Profit (loss) from operations		1,870	(1,605)
Net interest receivable:			
– Group		696	212
– Joint venture		914	575
Net gain on disposal of minority interest in Marakand Minerals Limited	6	–	12,252
Profit before taxation		3,480	11,434
Taxation	7	(6)	(5)
Profit after taxation		3,474	11,429
Minority interests	13	(1,191)	(539)
Profit for the year		2,283	10,890
Profit per share (US cents)	15		
Basic		0.92	5.32
Diluted		0.90	5.20

See accompanying notes to the consolidated financial statements.

STATEMENT OF TOTAL CONSOLIDATED RECOGNISED GAINS AND LOSSES

	Note	Year ended 30 June 2005	Year ended 30 June 2004
Group profit for the financial year		3,474	11,429
Unrealised surplus arising from revaluation of exploration and mining rights on flotation of Marakand Minerals Limited	10	–	16,296
Total recognised profit for the year		3,474	27,725
Total profit recognised since last annual report		3,474	27,725

The directors have taken advantage of the exemption available under section 230 of the Companies Act 1985 not to present an individual Company income statement.

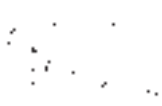
The loss after tax of the Company for the year, dealt with in the above consolidated income statement, amounted to \$3,311,000.

CONSOLIDATED BALANCE SHEET

(US\$000)	Note	As at 30 June 2005	As at 30 June 2004
Fixed assets			
Exploration and mining properties	10	60,228	41,003
Investments			
Investments	11	43,306	22,295
Total fixed assets		103,534	63,298
Current assets			
Trade and other receivables	9	5,954	7,107
Cash and cash equivalents	8	34,834	5,541
		40,788	12,648
Trade and other payables due in less than one year	12	(2,635)	(741)
Net current assets		38,153	11,907
Net assets		141,687	75,205
Trade and other payables due after one year	12	(6,093)	(1,761)
Net assets		135,594	73,444
Shareholders' equity			
Capital stock	14	4,581	3,289
Reserves		118,155	56,030
Total Shareholders' funds		122,736	59,319
Minority interests	13	12,858	14,125
Capital employed		135,594	73,444

See accompanying notes to the consolidated financial statements.

The consolidated financial statements were approved by the board on 22 September 2005.



William Trew
Chief Executive Officer



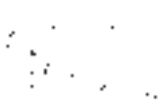
Jonathan Kipps
Finance Director

COMPANY BALANCE SHEET

(US\$000)	Note	As at 30 June 2005	As at 30 June 2004
Fixed assets			
Exploration and mining properties		91	112
Investments			
Investments		9,470	–
Investment in subsidiaries		436,880	451,032
Total fixed assets		446,441	451,144
Current assets			
Trade and other receivables		43,744	8,101
Cash and cash equivalents		8,682	1,062
		52,426	9,163
Trade and other payables due in less than one year		(35,379)	(43,542)
Net current assets (liabilities)		17,047	(34,379)
Net assets		463,488	416,765
Trade and other payables due after one year	12	(6,093)	(1,761)
Net assets		457,395	415,004
Shareholders' equity			
Capital stock	14	4,581	3,289
Reserves		452,814	411,715
Total shareholders' funds		457,395	415,004

See accompanying note 21 to the financial statements.

The consolidated financial statements were approved by the board on 22 September 2005.


William Trew
Chief Executive Officer


Jonathan Kipps
Finance Director

CONSOLIDATED STATEMENT OF CASH FLOWS

(US\$000)	Year ended 30 June 2005	Year ended 30 June 2004
Cash flows from operating activities		
Profit for the year	2,283	10,890
Adjustments for:		
Depreciation	16	48
Profit on sale of assets	(6)	–
Salaries and bonuses converted to shares	33	529
Net gain on disposal of minority interest in Marakand Minerals Limited	–	(12,252)
Income attributable from joint venture	(6,437)	(3,738)
Loss on foreign exchange	13	21
Operating loss before working capital changes	(4,098)	(4,502)
Decrease/(increase) in trade and other receivables	1,153	(6,842)
Increase in trade and other payables	6,226	344
Cash generated (used) from operations	3,281	(11,000)
Cash flows from investing activities		
Capital expenditure and financial investment		
Exploration and mining properties expenditure	(19,235)	(3,408)
Funding of joint venture's capital expenditure	(8,852)	(1,632)
Acquisitions and disposals		
Investments	(6,839)	–
Sale of minority shares in subsidiary on flotation	–	5,846
Sale of minority shares in subsidiary	–	689
Net cash (used) generated in investing activities	(34,926)	1,495
Cash flows from financing activities		
Warrants and options exercised	146	4,715
Shares issued	60,792	6,476
Net cash provided by financing activities	60,938	11,191
Net increase in cash and cash equivalents	29,293	1,686
Cash and cash equivalents as at 1 July	5,541	3,855
Cash and cash equivalents as at 30 June	34,834	5,541

See accompanying notes to the consolidated financial statements.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(US\$000) Note	Share capital 14	Capital reserve 14	Accumulated loss	Total	Minority interests 13	Total
Balance as at 1 July 2003	2,824	–	(22,590)	33,990	10	34,000
Merger reserve		34,929				
Share premium account		18,827				
Shares issued	108	6,368	–	6,476	–	6,476
Warrants and options exercised	346	4,369	–	4,715	–	4,715
Conversion of directors' remuneration to shares	11	518	–	529	–	529
Transfer to distributable reserve, February 2004	–	(24,221)	24,221	–	–	–
Capital reserve						
Capital reserve arising on revaluation of exploration rights in Marakand Minerals Limited	–	16,296	–	16,296	12,160	28,456
Capital reserve arising on issue of shares in Marakand Minerals Limited	–	3,360	–	3,360	2,508	5,868
Distribution of Marakand Minerals Limited shares	–	–	(17,490)	(17,490)	–	(17,490)
Minority interest adjustments relating to previous years:						
– Marakand Minerals Limited	–	–	6	6	(6)	–
– Talas Gold Mining Company	–	–	8	8	(8)	–
Profit for the year	–	–	11,429	11,429	(539)	10,890
Balance as at 1 July 2004	3,289	60,446	(4,416)	59,319	14,125	73,444
Shares issued	1,281	59,511	–	60,792	–	60,792
Warrants and options exercised	10	136	–	146	–	146
Conversion of directors' remuneration to shares	1	32	–	33	–	33
Capital reserve arising on revaluation of investments:						
– Eurogold Limited	–	(1,383)	–	(1,383)	–	(1,383)
– Ovoca Resources plc	–	266	–	266	–	266
On consolidation	–	4	85	89	(76)	13
Profit for the year	–	–	3,474	3,474	(1,191)	2,283
Balance as at 30 June 2005	4,581	119,012	(857)	122,736	12,858	135,594

See accompanying notes to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(TABULAR AMOUNTS IN US\$000, EXCEPT WHERE NOTED)

Oxus Gold plc (“Oxus” or the “Company”) is an international mineral exploration and development company that is focused on precious and base metal opportunities in the former Soviet Bloc. The Company is incorporated and registered in the United Kingdom.

BASIS OF PREPARATION

The consolidated financial statements, as well as the financial statements of the parent and subsidiaries, are measured and presented in US dollars on the basis that this reflects the currency in which the main operating cash flows arise. Management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the period. Actual results could differ from these estimates.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

The consolidated financial statements, including comparatives, have been prepared in accordance with both United Kingdom and International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards board (“IASB”) and the interpretations issued by the Standing Interpretations Committee of the IASB.

b) Basis of consolidation

(i) Subsidiaries

The consolidated financial statements include the accounts of the Company and all of its subsidiaries. Subsidiaries are those enterprises controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of those enterprises. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The following companies have been consolidated within the financial statements:

Subsidiary	Registered	Holding
Oxus Holdings (Malta) Limited	Malta	100%
Marakand Minerals Limited	Guernsey	57.23%
The following companies are wholly owned by Oxus Holdings (Malta) Limited:		
Oxus Resources Corporation	Malta	
Norox Mining Company Limited	Cayman Islands	
The following company is wholly owned by Oxus Resources Corporation:		
Oxus Services Limited	United Kingdom	
The following companies are owned by Norox Mining Company Limited:		
Norox Operating Company Limited	Kyrgyzstan	100%
Talas Gold Mining Company	Kyrgyzstan	66.67%
The following company is wholly owned by Marakand Minerals Limited:		
Khandiza Services Limited	Uzbekistan	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

(ii) Transactions eliminated upon consolidation

Intra-company balances and transactions, and any unrealised gains arising from intra-company transactions, are eliminated in preparing the Consolidated Financial Statements.

c) Foreign currency

Foreign currency transactions are recorded at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at year-end rates. Non-monetary items are translated at historical rates, unless such items are carried at market value, in which case they are translated using the exchange rates that existed when the values were determined. Any resulting exchange rate differences are taken to the income statement.

d) Financial instruments

The Company uses certain financial instruments in its operating and investing activities that are appropriate to the Company's strategy and circumstances.

Financial instruments currently comprise cash, loans to joint ventures, short-term trade receivables and trade payables and gold and interest rate hedges to secure the debt repayment and operating costs on the Amantaytau Goldfields Phase 1 Oxide project financing. The Company finances its operations through the issue of equity share capital and manages financial risk, to ensure sufficient liquidity to meet foreseeable needs and to invest cash assets safely and profitably. This is achieved by placing surplus funds on deposit with major banking institutions.

The main risks arising from the Company's present use of financial instruments are currency risk relating to the Company's cash resources denominated in currencies other than the US dollar, interest rate risk in respect of the loans to joint ventures and the gold price risk on unhedged ounces. At 30 June 2005 the Company held £18,599,000 (\$33,567,000) in sterling bank accounts, applying an exchange rate of 1.8048.

e) Exploration and mining properties

The amount shown as exploration and mining rights represents the valuation, based on previous feasibility studies, carried out by consultants independent of the Company.

When the Company has incurred expenditures on mining properties that have not reached the stage of commercial production, the costs of acquiring the rights to such mineral properties and related exploration and development costs are deferred where the expected recovery of costs is considered probable by the successful exploitation or sale of the asset.

Where a feasibility study indicates that the future recovery of the costs is not probable, full provision is made in respect of the deferred costs. Where mining properties are abandoned, the deferred expenditure is written off in full.

When a review for impairment is conducted, the recoverable amount is assessed by reference to the net present value of expected future cash flows of the relevant income generating unit or disposal value if higher. Individual mining properties are considered to be separate income generating units for this purpose.

f) Depreciation

Depreciation in respect of plant and equipment is charged to the income statement on the straight line basis over the estimated useful economic lives of each class of asset. The estimated useful lives are as follows:

Computer and office equipment	3 years
Office furniture	5 years
Motor vehicles	5 years

g) Trade and other receivables

Trade and other receivables are stated at cost less impairment losses.

h) Cash

Cash and cash equivalents include cash on deposit. Cash, as presented in the consolidated financial statements, comprises balances held in the Company's various bank current accounts or short-term deposit accounts, normally not exceeding 31 day terms. There are no restrictions over the access and use of these funds, other than those that customarily relate to such periodic short-term deposits.

i) Impairment

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying value of the Company's assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is immediately recognised in the income statement whenever the carrying value of an asset exceeds its recoverable amount. The recoverable amount is the greater of the selling price and value in use.

j) Employee benefits

(i) Pension

The Company does not operate a pension plan.

(ii) Equity and equity-related compensation benefits

The stock option programme allows Company officers, directors and key personnel to acquire shares at an exercise price determined by the Company. When the options are exercised, equity is increased by the amount of the proceeds received. The share option plan provides for the grant of non-transferable options that become exercisable either on a cumulative basis over three years from grant date, or on the occurrence of a specific event. Options are not granted at a discount to their market value.

(iii) Bonus

Bonuses received by Company senior management are based on predetermined objectives of both the individual and the Company. Any bonuses specific to deferred exploration and evaluation expenditure are capitalised against the carrying value of that asset. Other bonuses are recognised in the income statement in the period in which they relate.

(iv) Stock-based compensation

The Company will account for stock-based compensation under the rules of IFRS 2, Accounting for Share-Based Payments, with effect from 1 July 2005, whereby the fair value of such options is expensed to the income statement in accordance with the specific vesting periods. The Company has not taken any charge in its financial statements for the year ended 30 June 2005, but had IFRS 2 been implemented a charge of \$90,000 would have been made to the income statement and an adjustment to capital reserves of \$90,000. In addition a charge of \$93,000 would be made in respect of Marakand Minerals Limited, of which \$40,000 relates to minority interests. These charges will be made as a prior year adjustment in the 2006 accounts, in accordance with IFRS 2. The basic and diluted profit per share, taking these adjustments into account, is US cents 0.86 per share (basic) and US cents 0.84 per share (diluted).

k) Provisions

A provision is recognised in the balance sheet when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required in the future to settle the obligation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

l) Future site restoration costs

No provision is currently recognised for site restoration as project development and exploration to date on the Company's mineral properties, other than AGF and Jerooy, has been limited to surface and underground drilling and sampling, feasibility studies, exploration programmes, site establishment and construction. The directors do not believe that the Company bears any liability to rehabilitate any site as a result of these activities.

In respect of Amantaytau Goldfields and Jerooy no provision has been made to date, since the relevant local legislation does not require such at this stage of the mining operations.

m) Revenue

Revenue comprises management fees for services provided by the Company to third parties, subsidiaries or joint ventures.

Additionally, income from Amantaytau Goldfields is accounted for on an equity basis, as more fully described in note 11.

n) Operating leases

Payments made under operating leases are recognised in the income statement on a straight line basis over the term of the lease.

o) Joint interest operations

Investments in which the Company has a long-term interest that are jointly controlled are accounted for as joint ventures. The Company's interests in joint ventures are included in the consolidated financial statements under the gross equity method of accounting. The Company includes separately in its results its share of the results of joint ventures and the Company's share of the net assets of joint ventures are included and disclosed separately in note 11.

p) Segmental reporting

Segment information is presented in respect of the Company's geographical segments. No secondary information is reported for the Company as gold is the only product provided.

2 SEGMENTAL REPORTING

The Company's current operations are entirely focused on exploration and development opportunities within Central Asia. Accordingly, the directors believe that there is only one relevant class of business and geographic segment.

3 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2005	2004
Profit before taxation is stated after charging		
Staff costs (further detail is given in note 4)	1,434	4,845
Depreciation (further detail is given in note 10)	46	48
Other operating lease rentals (further detail is given in note 16)	399	374
Auditors' remuneration:		
– Audit services	47	65
– Non audit services in the United Kingdom	47	31

4 PERSONNEL EXPENSES

The average number of full time personnel during 2005 was 141 (2004:108). The Company does not operate any form of pension plan or formal long term benefit scheme for employees.

	2005	2004
Wages and salaries	2,067	5,068
Social security costs	57	–
Pension costs	–	–
Amounts recharged to deferred exploration and evaluation expenditure	(690)	(223)
	1,434	4,845

5 FOREIGN EXCHANGE LOSS

	2005	2004
Foreign exchange (loss) gain	(1,487)	545

6 NET GAIN ARISING ON THE MARAKAND MINERALS LIMITED SHARE DISPOSALS

The net gain arising on the Marakand Minerals Limited share disposals and transfer of deferred revenue expenditure was as follows:

	2004
23,157,732 shares valued at	18,933
Loss on sale of 2,000,000 shares	(947)
Profit on distribution of 21,157,732 shares	192
Net gain on share disposals	18,178
Khandiza deferred exploration and evaluation expenditure transferred to Marakand Minerals Limited	(5,926)
Net gain as at 30 June 2004	12,252

The net proceeds from the issue of 2 million shares referred to in the table above amounted to \$689,000.

The net proceeds from the issue of 20 million shares in Marakand Minerals Limited in October 2003 amounted to \$5,846,000.

7 TAXATION

	2005	2004
UK corporation tax at 20% (2004: 20%)	5	7
UK corporation tax relating to 2003	–	(2)
Uzbekistan corporate income tax	1	–
	6	5

No provision for taxation, comprising United Kingdom corporation tax, relating to the activities of Oxus Services Limited, a subsidiary incorporated in the United Kingdom, is required in respect of the current and previous years as a result of the availability of group relief. The accumulated UK Corporation tax provision of \$16,000 will be written back in 2006. No further liability to taxation arises as the Company has not yet generated taxable income. The principal subsidiaries are incorporated in overseas jurisdictions where no liability to corporate tax has arisen during the year. Provision for appropriate local revenue taxes has been accounted for by Amantaytau Goldfields. The other Company activities in Central Asia have not yet generated taxable income. Results from Central Asia may in due course be subject to taxation in the relevant country, although Amantaytau Goldfields has a five year profits tax holiday commencing from the start of gold production in January 2004. Khandiza Services Limited, a subsidiary of Marakand Minerals Limited, incorporated in Uzbekistan, is subject to corporate income tax on its local revenue.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
CONTINUED

8 CASH AND CASH EQUIVALENTS

	2005	2004
Cash and short-term deposits	34,797	5,541
Security deposits	37	–
	34,834	5,541

9 TRADE AND OTHER RECEIVABLES DUE IN LESS THAN ONE YEAR

	2005	2004
Amounts receivable from joint venture – Amantaytau Goldfields	3,530	529
Other debtors	2,344	973
Issued share capital unpaid	–	5,529
Prepayments	80	76
	5,954	7,107

10 EXPLORATION AND MINING PROPERTIES

The exploration and mining rights held at Khandiza, Uzbekistan are valued at \$28,456,000 (£16 million), based on the report to Marakand Minerals Limited by Wardell Armstrong International dated 28 November 2003. Included in the valuation is \$9,405,000 (2004: \$7,124,000) expenditure incurred to date on the project. Costs, which were incurred during the year in doing the detailed study to bankable standards and confirming this valuation, amounting to \$2,281,000 (2004: \$1,198,000) have been written off to the income statement. The Uzbekistan fiscal arrangements to be applied are currently under negotiation. The Company expects the costs of \$9,405,000 (2004: \$7,124,000) to be recoverable in full in the future through the increased value of the investment.

On 27 November 2003 the Company entered into a Warranty Deed relating to the Marakand Minerals Limited title to the Khandiza deposit, and has given certain undertakings, without limitation, to procure that Marakand Minerals Limited is the only party to the Primary Exploration Agreement (other than Goscomegeology) and the only party with rights under the Decree of the Cabinet of Ministers of Uzbekistan No.359 dated 17 October 2002.

The unrealised surplus arising from the revaluation of the exploration and mining rights amounted to \$16,296,000 after deducting \$12,160,000 attributable to minority interest.

The table below shows the Company's exploration and mining properties and related equipment.

	KYRGYZSTAN	UZBEKISTAN	Aristantau and Balpantau	Khandiza	Non mining assets	Total
	Jerooy	Amantaytau				
Costs						
As at 1 July 2004	9,470	2,197	687	28,456	241	41,051
Additions	13,535	5,782	–	–	25	19,342
Disposals	–	–	–	–	(101)	(101)
Transfer to joint venture	–	–	–	–	–	–
As at 30 June 2005	23,005	7,979	687	28,456	165	60,292
Depreciation						
As at 1 July 2004	–	–	–	–	48	48
Charge in the year	–	–	–	–	46	46
On disposals	–	–	–	–	(30)	(30)
As at 30 June 2005	–	–	–	–	64	64
Net book value						
As at 30 June 2004	9,470	2,197	687	28,456	193	41,003
As at 30 June 2005	23,005	7,979	687	28,456	101	60,228

The Jerooy project costs include \$1,037,000 of capitalised interest.

The table below shows the Company's non-mining assets.

	Office furniture	Computers and office equipment	Motor vehicles	Total
Cost				
As at 1 July 2004	140	–	101	241
Additions	–	25	–	25
Disposals	–	–	(101)	(101)
As at 30 June 2005	140	25	–	165
Depreciation				
As at 1 July 2004	28	–	20	48
Charge in the year	28	8	10	46
On disposals	–	–	(30)	(30)
As at 30 June 2005	56	8	–	64
Net book value				
As at 30 June 2004	112	–	81	193
As at 30 June 2005	84	17	–	101

The Company's interest in the Amantaytau Goldfields exploration area is predominantly held by Amantaytau Goldfields (2005: \$14,294,000; 2004: \$7,857,000), which is a joint venture, the details of which are disclosed in note 11. Expenditure on the area incurred directly by the Company only is disclosed above, until such time as it is transferred to the Amantaytau Goldfields loan account. The total book value attributed to the Company's share of deferred exploration and evaluation expenditure on the Amantaytau Goldfields exploration area is as follows:

	2005	2004
Oxus Gold plc	7,979	2,197
Amantaytau Goldfields AO (see note 11)	5,921	10,513
	13,900	12,710

On 13 August 2004 the State Agency for Geology and Mineral Resources of the Kyrgyz Republic informed the Company that the licence to develop the Jerooy project, held by Talas Gold Mining Company, had been annulled. The Company regards this annulment as being without foundation in law or fact, and construction at the Jerooy mine is continuing whilst the appropriate negotiations take place to have the annulment rescinded. The directors are of the opinion that the licence will be reinstated and that the Company's investment will be recoverable in full.

11 INVESTMENTS

Investments of the Company are analysed as follows:

	Investment in joint venture	Loans to joint venture	Investments	Total
As at 1 July 2004	7,857	14,438	–	22,295
Company's share of profits net of distributions	6,437	–	–	6,437
Additions	–	8,852	6,839	15,691
Revaluation	–	–	(1,117)	(1,117)
As at 30 June 2005	14,294	23,290	5,722	43,306

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
CONTINUED

INTEREST IN JOINT VENTURE AND ASSOCIATED COMPANY

Interests in shares of joint venture and associated company comprise:

Investment	Country of incorporation	Type of shares held	Proportion of shares held		Accounting reference date
			30 June 2005	30 June 2004	
Amantaytau Goldfields	Uzbekistan	Ordinary	50%	50%	31 December
Talas Gold Mining Company	Kyrgyzstan	Ordinary	66.7%	66.7%	31 December

Amantaytau Goldfields is a joint venture undertaking. The following information on Amantaytau Goldfields ('AGF') is disclosed from the joint venture's latest audited financial statements and management accounts. Figures are attributable to the Company.

	2005	2004
Turnover	25,188	9,650
Profit before tax	6,437	3,738
Profit after tax	6,437	3,738
Current assets	5,477	5,341
Construction of mine	26,940	9,990
Deferred exploration and evaluation expenditure	5,921	10,513
Gross assets	38,338	25,844
Liabilities due within one year	(15,356)	(10,403)
Liabilities due after more than one year	(8,688)	(7,584)
Gross liabilities	(24,044)	(17,987)
Net assets	14,294	7,857

The turnover represents the Company's attributable proceeds from the sale of 134,270 (2004:52,128) ounces of gold at the hedged rate of \$323.35 per ounce, and 24,400 ounces at an average spot price of \$419.13. Since the end of the year, AGF has delivered a further 55,760 ounces into the hedge leaving a balance of 20,938 ounces to be delivered to eliminate the hedge, or 8% of the original commitment of 263,096 ounces.

AGF has \$2,805,000 capital commitments outstanding in respect of the Vysokovoltnoye project as at 30 June 2005.

The \$35 million project finance loan provided by Standard Bank and West LB to finance the construction of the Amantaytau Goldfields Phase 1 Oxides project has been fully repaid. \$17.9 million was repaid during the year (2004: \$2 million), AGF repaid a further \$6.7 million after the year end, and the Company took over the balance of the debt of \$8.4 million.

The Company and OXUS Resources Corporation have jointly and severally guaranteed AGF's obligations under the bank loan facility (now owned by the Company), gold hedge and the interest rate hedge. The Company's loan will then become repayable out of surplus cash flow in the joint venture.

In addition, the Company has granted a first fixed charge over its shareholding in OXUS Resources Corporation. OXUS Resources Corporation and the other shareholders in AGF have granted a pledge over their shareholdings in AGF, and AGF has granted a pledge over its property, assets and property rights, and a fixed and floating charge over its assets and undertakings. These security arrangements apply until the gold hedge and the interest rate hedge have been eliminated, expected in November 2005, and the bank loan facility, now due to the Company, has been paid in full.

On 13 March 2004 the Company guaranteed to fund an AGF Phase 2 Project Development Fund. This Fund will be paid to the Uzbek Government by AGF as a licence fee in respect of the transfer to AGF of the underground shaft and related underground workings at the AGF site, which form an integral part of the Phase 2 Sulphides project and which are estimated by the directors to have a value of at least \$70 million. These assets have already been transferred to AGF. The Fund will be calculated as to the Uzbek Government's share (50%) of the positive difference between the actual world price of gold on the date of sale and the hedged gold price pursuant to the Gold Offtake Agreement signed with the lending banks on 15 April 2003 (as amended on 20 January 2004), subject to a maximum gold price of \$410 per ounce. AGF originally hedged 263,096 ounces of gold at \$323.35 per ounce over the period February 2004 to January 2006. The Fund has accrued on a monthly basis from the first date of sale of hedged gold and the Company has committed to transfer the appropriate monies to the Fund on a quarterly basis over the period February 2006 to May 2008. At 30 June 2005 the accrued Fund was \$7,543,395 (2004: \$1,760,781) (see note 12) and, at a \$410 per ounce gold price, the contingent liability in respect of the period July 2005 to January 2006 is estimated at \$2.8 million.

INVESTMENTS

	Shares held	2005	2004
Eurogold Limited (19.9%)	43,188,100	5,456	–
Ovoca Resources plc	1,636,821	266	–
Norplat Limited	511,980	–	–
		5,722	–

Eurogold Limited is listed on AIM and the Australian Stock Exchange, with exploration and gold mining operations in Romania and Ukraine. The investment is shown at the market value of the AIM listed shares as at 30 June 2005, which was 7 pence per share. The original cost of \$6,839,000, for shares acquired at an average price of 8.4 pence per share, has been written down by \$1,383,000 to capital reserve.

Since the year end, the Company agreed terms to acquire the balance of Eurogold's interests in its gold assets in Romania and the Ukraine as described in more detail in note 20.

Ovoca Resources plc is listed on AIM and the Irish Stock Exchange, with gold mining operations in Russia and Scandinavia. Ovoca has an option, valid for two years from 10 May 2005, to convert the holding in Norplat Limited into 563,178 shares in Ovoca. The Ovoca investment is shown at the market value of the AIM listed shares as at 30 June 2005, which was 9 pence per share. The original shares were acquired at nil cost as part of an exchange of information with Norplat Limited. The increased valuation difference of \$266,000 has been transferred to capital reserve.

12 TRADE AND OTHER PAYABLES DUE IN LESS THAN ONE YEAR

	2005	2004
Trade creditors	1,055	552
Income tax	17	14
Other taxes and social security	2	47
Accruals	48	72
Other creditors	63	56
AGF Phase 2 Project Development Fund (see note 11)	1,450	–
	2,635	741

TRADE AND OTHER PAYABLES DUE AFTER ONE YEAR

	2005	2004
AGF Phase 2 Project Development Fund (see note 11)	6,093	1,761

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
CONTINUED

13 MINORITY INTERESTS

	2005	2004
Talas Gold Mining Company	2	10
In net loss brought forward	–	(8)
Marakand Minerals Limited	14,123	14,668
Change in year	8	–
In net loss brought forward	(84)	(6)
In net loss incurred during the year	(1,191)	(539)
Balance as at 30 June 2005	12,858	14,125

All minority interests are equity interests.

14 CAPITAL STOCK

(a) Authorised

400,000,000 ordinary shares	1p par value
-----------------------------	--------------

The authorised share capital of the Company was increased from 300 million to 400 million shares on 16 December 2004.

(b) Changes in the capital stock of the Company were as follows:

Number of shares	2005			2004		
	Authorised	Issued	Valuation at par value	Authorised	Issued	Valuation at par value
Ordinary shares						
As at 1 July	300,000,000	220,286,215	3,289	300,000,000	194,886,815	2,824
Increased	100,000,000	–	–	–	–	–
Issued	–	27,200,000	527	–	6,000,000	108
Stock options exercised	–	528,334	10	–	16,350,473	301
Warrants exercised	–	–	–	–	2,429,696	45
Conversion of directors' remuneration to stock	–	32,794	1	–	619,231	11
Conversion of loan notes	–	33,970,000	659	–	–	–
Eurogold investment	–	5,000,000	95	–	–	–
As at 30 June	400,000,000	287,017,343	4,581	300,000,000	220,286,215	3,289

All of the issued share capital is fully paid.

During the year, the Company issued 27,200,000 shares for aggregate gross proceeds of \$26,370,000 (\$22,740,000 net of share issue costs).

A further 5,000,000 shares were issued at a valuation of \$5,118,000 in exchange for a 30 million share holding in Eurogold Limited and 33,970,000 shares out of a possible 34,000,000 shares were issued upon conversion of convertible loan notes for gross proceeds of \$32,934,000.

(c) Warrants

The table below shows details of outstanding warrants and movement in the year to 30 June 2005:

	2005 Number of warrants	2005 Exercise price (GBP)	2004 Number of warrants	2004 Exercise price (GBP)
Warrants outstanding, beginning of year	750,000	0.10-0.25	8,179,696	0.10-0.38
Cancelled	–	–	(5,000,000)	0.1525
Exercised	–	–	(376,672)	0.38
Exercised	–	–	(500,000)	0.10
Exercised	–	–	(1,553,024)	0.1025
Warrants outstanding, end of year	750,000	0.10-0.25	750,000	0.10-0.25

On 4 August 2003 the Company cancelled 5,000,000 warrants for shares exercisable at £0.1525 per share, due to the failure by the grantee to provide the consideration for which such warrants were issued. The grantee has disputed this cancellation, which is now the subject of litigation.

(d) Stock options

The table below shows details of outstanding stock options and movement in the year to 30 June 2005:

	2005 Number of options	2005 Exercise price (GBP)	2004 Number of options	2004 Exercise price (GBP)
Stock options outstanding, beginning of year	9,331,667	0.12-0.7875	17,027,140	0.12-0.45
Granted	–	–	200,000	0.2175
Granted	–	–	125,000	0.22
Granted	–	–	100,000	0.225
Granted	–	–	100,000	0.235
Granted	–	–	100,000	0.4625
Granted	500,000	0.54	7,610,000	0.54
Granted	–	–	500,000	0.5575
Granted	–	–	20,000	0.62
Granted	–	–	100,000	0.7875
Reinstated	130,000	0.15	–	–
Exercised	(320,000)	0.12	(13,837,250)	0.12
Exercised	(66,667)	0.2175	(2,500,000)	0.2175
Exercised	(136,667)	0.15	(13,223)	0.15
Exercised	(5,000)	0.54	–	–
Lapsed	–	–	(200,000)	0.15
Lapsed	(133,333)	0.2175	–	–
Lapsed	(100,000)	0.4625	–	–
Lapsed	(3,000,000)	0.54	–	–
Lapsed	(20,000)	0.62	–	–
Stock options outstanding, end of year	6,180,000	0.12-0.7875	9,331,667	0.12-0.7875
Exercisable at year-end	5,288,333	0.12-0.7875	495,000	0.12-0.4625

		Exercise price (USD)		Exercise price (USD)
Stock options outstanding, beginning of year	–	–	100,000	0.45
Lapsed	–	–	(100,000)	0.45
Stock options outstanding, end of year	–	–	–	–
Exercisable at year-end	–	–	–	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
CONTINUED

The weighted average remaining life and weighted average exercise prices of options as at 30 June 2005 were as follows:

Options outstanding	Options exercisable				
	Number outstanding as at 30 June 2005	Weighted average remaining contractual life	Exercise price (GBP)	Number exercisable	Weighted exercise price (GBP)
Exercise price (GBP)					
0.12	150,000	2.6	0.12	150,000	0.12
0.22	125,000	3.0	–	–	–
0.225	100,000	3.0	–	–	–
0.235	100,000	3.0	–	–	–
0.54	5,105,000	3.9	0.54	5,105,000	0.54
0.5575	500,000	3.3	–	–	–
0.7875	100,000	3.4	0.7875	33,333	0.7875

The stock options have been recorded in accordance with IFRS 2. The Actuarial Binomial assumptions used in determining the valuation are as follows:

Actuarial Binomial assumptions	Valuation				
	Average volatility	Average risk-free interest rate	Total fair value	To be expensed as at 30 June 2005 in the 2006 accounts	Unexpensed as at 30 June 2005
Option price					
0.12	–	–	–	–	–
0.22	65%	3.55%	12	6	6
0.225	65%	3.7%	9	4	5
0.235	65%	3.65%	10	5	5
0.54	60%	4.6%	1	1	–
0.5575	55%	4.35%	97	57	40
0.7875	55%	4.7%	27	17	10
			156	90	66

The valuation in respect of Marakand Minerals Limited is as follows:

The weighted average remaining life and weighted average exercise prices of options as at 30 June 2005 were as follows:

Options outstanding	Options exercisable				
	Number outstanding as at 30 June 2005	Weighted average remaining contractual life	Exercise price (GBP)	Number exercisable	Weighted exercise price (GBP)
Exercise price (GBP)					
0.40	3,350,000	3.4	0.40	1,116,666	0.40

The stock options have been recorded in accordance with IFRS 2. The Actuarial Binomial assumptions used in determining the valuation are as follows:

Actuarial binomial assumptions	Valuation				
	Average volatility	Average risk-free interest rate	Total fair value	To be expensed as at 30 June 2005 in the 2006 accounts	Unexpensed as at 30 June 2005
Option price					
0.40	55%	4.75%	148	93	55

Of the above amount to be expensed as at 30 June 2005 in the 2006 accounts \$40,000 relates to minority interests.

(e) Reserves

The merger reserve has arisen following the merger of various group companies in 2001.

The capital reserve has arisen following the flotation of Marakand Minerals Limited.

Following court approval \$24,221,000 was transferred from the Company's share premium account to distributable reserves on 5 February 2004. There was then a subsequent distribution of 21,157,732 Marakand Minerals Limited shares to Oxus shareholders, valued at 45.5 pence per share, amounting to \$17,490,000 paid from this distributable reserve.

15 PROFIT PER SHARE

Basic profit per share

The calculation of basic profit per share of US cents 0.92 (2004: US cents 5.32) is based on the net profit attributable to ordinary shareholders of \$2.28 million (2004: \$10.89 million) and a weighted average number of ordinary shares during the year of 248,790,894 (2004: 204,519,144).

16 OPERATING LEASE COMMITMENTS

Non-cancellable operating lease rentals are payable as follows:

	2005	2004
Less than one year	360	287
Between one and five years	67	294
	427	581

The Company rents three office properties under operating leases.

The leases in respect of these properties expire in May 2006 (United Kingdom), June 2006 (Malta) and December 2006 (Central Asia).

Recognised in the income statement for the period are costs of \$399,000 (2004: \$374,000) in respect of leases.

17 COMMITMENTS

Talas Gold Mining Company had \$1,823,000 capital commitments outstanding in respect of the Jerooj project as at 30 June 2005.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
CONTINUED

18 DIRECTORS' EMOLUMENTS

Analysis of remuneration and fees of the directors who served during the year or previous period:

Name	Year	Base salary	Other compensation	Bonus	Total	Share options held at year end
Directors						
William Trew	2005	284	2	–	286	2,000,000
Chief Executive Officer	2004	250	1	940	1,191	2,000,000
Jonathan Kipps	2005	237	1	–	238	1,300,000
Finance director	2004	209	2	609	820	1,300,000
Richard Wilkins	2005	237	1	–	238	1,300,000
Executive director & Secretary	2004	209	1	254	464	1,300,000
Richard Shead	2005	66	1	–	67	–
Executive director (resigned 24 September 2004)	2004	209	2	1,057	1,268	1,300,000
John Donald	2005	73	1	–	74	–
Executive director (retired 30 September 2004)	2004	209	2	609	820	1,300,000
Michael Beckett	2005	–	–	–	–	–
Non-executive chairman (resigned 8 December 2004)	2004	18	–	–	18	470,000
Mark Wellesley-Wood	2005	8	–	–	8	–
Non-executive director (resigned 8 December 2004)	2004	19	–	–	19	125,000
Daniel Kappes	2005	8	–	–	8	–
Non-executive director (resigned 28 February 2005)	2004	19	–	–	19	125,000
Douglas Sutherland	2005	9	–	–	9	250,000
Non-executive director (appointed 12 October 2004)	2004	–	–	–	–	–
Oliver Prior	2005	9	–	–	9	250,000
Non-executive director (appointed 12 October 2004)	2004	–	–	–	–	–

William Trew is also a non-executive director of Marakand Minerals Limited and received fees of \$17,000 during the year (2004: \$12,000) and holds 450,000 options.

19 RELATED PARTY TRANSACTIONS

MAED Limited

William Trew is a director of MAED Limited. MAED was the Company's principal construction contractor for the Amantaytau Goldfields Phase 1 Oxides project in Uzbekistan and is the construction adviser to the Jerooj project in Kyrgyzstan. MAED has given the Company undertakings and the board is satisfied that all commercial transactions and relationships between MAED (or any of its associates) and the Company are at arm's length and on a normal commercial basis.

Certified payments have been made as follows:

	2004	2005	Outstanding as at 30 June 2005	Total project cost for period
AGF				
Main contract	11,212	–	226	11,438
Ancillary works	6,358	162	3,547	10,067
New leach tanks	–	95	248	343
Vysokovoltnoye	–	242	65	307
Talas Gold Mining Company				
Jerooj				
Engineering works	234	–	–	234
Feasibility study	–	15	684	699
Prefabricated building contract	1,448	343	127	1,918
Prefabricated building contract variations	–	500	4	504
Plant equipment supply	–	1,964	–	1,964
Marakand Minerals Limited				
Khandiza	98	42	1	141
	19,350	3,363	4,902	27,615

20 POST BALANCE SHEET EVENTS

Nedbank Limited corporate loan facility

On 26 August 2005 Nedbank Limited granted credit approval for a \$20 million corporate loan facility for the Company. The loan is to be repaid over 4 years from drawdown and has an interest rate of 2.75% above 3 month LIBOR. The loan will be secured on subsidiary company shares and loans. The facility is to be used to refinance the acquisition of the balance of the AGF project finance loan to refinance the capital expenditure on the Vysokovoltnoye project at AGF and to provide working capital.

Shares issued to directors

During the period 1 July 2005 to 15 September 2005 shares have been issued in respect of capitalised remuneration as follows: Oliver Prior – 4,739 shares; and Douglas Sutherland – 4,739 shares.

Eurogold Limited

On 14 July 2005 the Company agreed certain principal terms with Eurogold Limited to acquire its gold assets in Romania and the Ukraine. The transaction is conditional on a number of conditions precedent which include the satisfactory completion of full due diligence, finalisation of legal documentation, the receipt of regulatory and government approvals, valuations of the assets by an independent expert and the approval of the board.

Guarantee for AGF Drilling Rigs

On 4 July 2005 the Company guaranteed \$643,000 to Atlas Copco Customer Finance AB for hire purchase payments on two drill rigs being acquired by AGF over a five year period to 30 November 2010.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
CONTINUED

21 OXUS GOLD PLC INDIVIDUAL COMPANY

Exploration and mining properties

The table below shows the Company's exploration and mining properties non-mining assets.

	Office furniture	Computer equipment	Total
Cost			
As at 1 July 2004	140	–	140
Additions	–	11	11
Disposals	–	–	–
As at 30 June 2005	140	11	151
Depreciation			
As at 1 July 2004	28	–	28
Charge in the year	28	4	31
As at 30 June 2005	56	4	59
Net book value			
As at 30 June 2004	112	–	112
As at 30 June 2005	84	7	91

Investments

Investments of the Company are analysed as follows:

	Loans to joint venture	Investments	Total
As at 1 July 2004	–	–	–
Additions	3,748	6,839	10,587
Revaluation	–	(1,117)	(1,117)
As at 30 June 2005	3,748	5,722	9,470

See also note 11 for further details.

Investment in subsidiaries

The following companies are owned by Oxus Gold plc:

	Registered	Holding
Oxus Holdings (Malta) Limited	Malta	100%
Marakand Minerals Limited	Guernsey	57.23%
	2005	2004
Oxus Holdings (Malta) Limited	416,010	416,010
Marakand Minerals Limited	20,870	35,022
	436,880	451,032

The investment in Oxus Holdings (Malta) Limited comprises 10,000 shares and 416,000,000 redeemable preference shares (100% of issued capital).

The investment in Marakand Minerals Limited represents 57,817,918 shares (57.23% of issued capital).

The investment is shown at the market value of the AIM listed shares as at 30 June 2005, which was 20 pence (2004: 33.5 pence) per share. The original valuation at 45 pence per share has been written down by a further \$14,152,000 (2004: \$12,267,000) from \$47,289,000.

Trade and other receivables due in less than one year

	2005	2004
Amounts receivable from joint venture – Amantaytau Goldfields	3,248	263
Other debtors	657	258
Issued share capital unpaid	–	5,529
Prepayments	75	76
Amounts receivable from subsidiary undertakings	39,764	1,975
	43,744	8,101

Trade and other payables due in less than one year

	2005	2004
Trade creditors	497	450
Other taxes and social security	–	45
Accruals	9	49
Other creditors	–	1
Amounts payable to subsidiary undertakings	33,422	42,997
AGF Phase 2 Project Development Fund (see note 11)	1,451	–
	35,379	43,542

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
CONTINUED

Statement of changes in reserves

(US\$000)	Capital reserve	Accumulated profit	Total
Balance as at 1 July 2003	18,827	(1,612)	17,215
Shares issued	6,368	–	6,368
Warrants and options exercised	4,368	–	4,368
Conversion of directors' remuneration to shares	519	–	519
Transfer to distributable reserve, February 2004	(24,221)	24,221	–
Revaluation reserve			
Capital reserve arising on revaluation of investment in Marakand Minerals Limited	(12,267)	–	(12,267)
Distribution of Marakand Minerals Limited shares	–	(17,490)	(17,490)
Profit for the year	–	413,002	413,002
Balance as at 1 July 2004	(6,406)	418,121	411,715
Shares issued	59,511	–	59,511
Warrants and options exercised	136	–	136
Conversion of directors' remuneration to shares	32	–	32
Capital reserve arising on revaluation of investment in Marakand Minerals Limited	(14,152)	–	(14,152)
Capital reserve arising on revaluation of investments:			
Eurogold Limited	(1,383)	–	(1,383)
Ovoca Resources plc	266	–	266
Loss for the year	–	(3,311)	(3,311)
Balance as at 30 June 2005	38,004	414,810	452,814

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the fifth Annual General Meeting of Oxus Gold plc (the "Company") will be held at 105 Piccadilly, London, W1J 7NJ on 25 November 2005 at 11.30 am for the purpose of considering and if approved, passing, the following resolutions, all of which will be proposed as ordinary resolutions, with the exception of resolutions 6 and 7 which will be proposed as special resolutions:

1. To receive the Report of Directors and Audited Accounts for the year ended 30 June 2005.
2. To re-elect Mr William Trew as a director of the Company.
3. To re-elect Mr Richard Wilkins as a director of the Company.
4. To re-appoint BDO Isle of Man as auditors of the Company to hold office until the conclusion of the next general meeting at which audited accounts are laid before the Company and to authorise the directors to determine their remuneration.
5. THAT the directors of the Company be and they are hereby generally and unconditionally authorised, in accordance with section 80 of the Companies Act 1985 (the "Act"), in substitution for but without prejudice to all previous general powers granted to the directors of the Company for the purpose of section 80 of the Act, to allot relevant securities (within the meaning of section 80 of the Act) up to an aggregate nominal amount of £861,108 provided that this authority shall expire on the earlier of the date of the 2010 Annual General Meeting of the Company and 24 November 2010 unless and to the extent that such authority is renewed or revoked prior to such date by the Company in general meeting (save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry, and the directors of the Company may allot relevant securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired.)

Special Resolutions

6. THAT subject to the passing of resolution 5 above, the directors of the Company be and they are hereby empowered pursuant to section 95 of the Act, in substitution for but without prejudice to all previous powers conferred upon the directors of the Company for the purpose of section 95 of the Act, to allot equity securities (within the meaning of section 94(2) of the Act) of the Company for cash pursuant to the authority conferred by resolution 5 above and to transfer equity securities (within the meaning of section 94 of the Act) which are held by the Company in treasury as if section 89(1) of the Act did not apply to any such allotment

PROVIDED THAT this power shall be limited to:

- (a) in connection with an issue by way of rights (including, without limitation, under a rights issue, open offer or similar arrangement) to holders of equity securities (as defined above) (and to holders of any other securities the terms of issue of which, or to any other persons whose agreements with the Company, entitle them to participate in such an issue) in proportion as nearly as may be to their respective holdings of such securities or in accordance with the rights attaching thereto subject to such exclusions as the directors of the Company may deem necessary or expedient to deal with fractional entitlements, record dates or other legal or practical problems arising under the laws or requirements of any recognised regulatory body or any stock exchange or in any regulatory territory or otherwise howsoever; and
- (b) the allotment of equity securities (otherwise than pursuant to paragraph 6(a) above) up to a maximum aggregate nominal amount of £574,072 (or, in the case of equity securities conferring the right to acquire shares, to the allotment of equity securities conferring the right to acquire shares up to an aggregate nominal value of £574,072) for any other purpose;

NOTICE OF ANNUAL GENERAL MEETING

CONTINUED

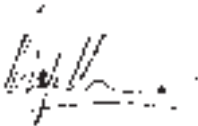
and PROVIDED FURTHER that such authority shall expire on the earlier of the date of the 2006 Annual General Meeting of the Company and 15 months from the date of this resolution (save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry, and the directors of the Company may allot equity securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired.)

7. THAT the Articles of Association of the Company be altered by the deletion of Article 159 and the substitution therefor of the following new Article: "Subject to the provisions of the Act, but without prejudice to any indemnity to which he may otherwise be entitled, every Director or other officer of the Company (except the Auditors) shall be entitled to be indemnified out of the assets of the Company against any liability incurred by him for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company, provided that this Article 159 shall be deemed not to provide for, or entitle any such person to, indemnification to the extent that it would cause this Article 159, or any element of it, to be treated as void under the Act."

Dated 22 September 2005

By Order of the Board
Registered Office:

105 Piccadilly
London W1J 7NJ



R V L Wilkins
SECRETARY

Notes

1. A member entitled to attend and vote at the Annual General Meeting may appoint one or more proxies to attend and, on a poll, vote on his behalf. A proxy need not be a member of the Company.
2. A Form of Proxy is enclosed. To be valid, Forms of Proxy must be lodged with the Company's Registrars Capita Registrars Proxy Department, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU not less than 48 hours before the time appointed for the Annual General Meeting.
3. Completion of a Form of Proxy will not prevent a member from attending and voting in person at the Annual General Meeting if the member so wishes.
4. The Company, pursuant to regulation 41(1) of the Uncertificated Securities Regulations 2001, specifies that only those Shareholders registered in the Register of Members of the Company as at 11.30 am on 23 November 2005 shall be entitled to attend and vote at the Annual General Meeting in respect of the number of Ordinary Shares registered in their name, or deemed registered in their name, at the relevant time. Changes to entries in the Register of Members after 11.30 am on 23 November 2005 shall be disregarded in determining the rights of any person to attend and vote at the Annual General Meeting.
5. Copies of the directors' service contracts and the register of directors' shareholdings are available for inspection during usual business hours on any weekday (public holidays excepted) at the Company's registered office and they will also be available at the place of the Annual General Meeting from fifteen minutes prior to the meeting until its close.

EXPLANATORY NOTES ON THE RESOLUTIONS

Resolution 1: Report and Accounts

The directors must present to shareholders at the Annual General Meeting the Directors' Report and Accounts and the Auditors' Report for the year ended 30 June 2005.

Resolutions 2 & 3: Re-election of Directors

Each of William Trew and Richard Wilkins are retiring by rotation at the Annual General Meeting in accordance with the Company's Articles of Association and are offering themselves for re-election.

Their biographical details are given on page 34.

Resolution 4: Re-appointment and remuneration of Auditors

This resolution proposes the re-appointment of BDO Isle of Man as auditors, and permits the directors to fix their remuneration.

Resolution 5: Authority to Allot Shares for Cash or Non-cash Consideration

This resolution grants an authority for the directors to allot shares for cash or non-cash consideration up to thirty per cent of the amount of the issued share capital of the Company as at the date of this Notice. The authority shall expire on 24 November 2010 or, if earlier, at the conclusion of the 2010 Annual General Meeting. The directors consider this necessary in order to give them flexibility to deal with opportunities as they arise, subject to the restrictions as contained in the resolution.

Resolution 6: Authority to Allot Shares for Cash

This resolution grants an authority for the directors to allot the shares authorised in resolution 5 without regard to the statutory pre-emption rights in relation to future offers of securities by means of a rights issue, placing and open offer or similar issue in which shareholders are offered shares. It also grants an authority to the directors to allot shares for cash up to twenty per cent of the amount of the issued share capital of the Company as at the date of this Notice. The authority shall expire 15 months from the date of the passing of the resolution or, if earlier, at the conclusion of the 2006 Annual General Meeting. The directors consider this necessary in order to help fund the ongoing development of the Amantaytau Goldfields Phase 2 Sulphide project in Uzbekistan, to improve liquidity in the shares of the Company and to give the directors of the Company flexibility to deal with opportunities as they arise, subject to the restrictions as contained in the resolution.

Resolution 7: Amendment to Articles of Association

The provisions of the Companies (Audit, Investigations and Community Enterprise) Act 2004 (the 2004 Act), which came into force on 6 April 2005, have amended the Companies Act 1985 (the Act) by the insertion of new sections 309A, 309B, 309C and 337A which extend: (i) the circumstances in which a company may indemnify its directors for liabilities incurred in connection with such office; and (ii) the circumstances in which a company may fund a director's expenditure on defending criminal or civil proceedings brought against him. Therefore from 6 April 2005, public limited companies and private companies have been able to grant wider-ranging indemnities to directors. The new law has been introduced because of concerns about directors' exposure to personal claims from third parties. Significantly: (i) Directors can be indemnified in civil proceedings brought by a third party (not the Company) for both costs of fighting the case and liabilities incurred, even if they are on the losing side; (ii) Directors can be indemnified for costs in regulatory proceedings even if the directors are on the losing side. If a claim is brought by the Company, a director's defence costs can be paid for by the Company, but they have to be repaid if he loses. The proposed amendment to the Articles of Association will permit the Company to indemnify the Directors and other officers of the Company in accordance with these provisions of the 2004 Act. The board of the Company intends to execute a deed poll in favour of each director of the Company granting them an indemnity in accordance with the Act.

DIRECTORS, MANAGEMENT, CONTACTS AND ADMINISTRATION

William Trew, B.Eng. (Mech.) Hon., M.Eng
Chief Executive Officer
26 years' experience in the engineering and mining industry. Non-executive chairman and founder of MAED Limited. Joined the board in November 2002.

Richard Wilkins, MA, FCA
Director & Secretary
Has been conducting business in Central Asia since 1991 and is one of the founders of the Oxus Group. Joined the board in April 2001.

Jonathan Kipps, B.Comm, CA (SA), Dip Tax Law (UCT)
Director, finance
A South African chartered accountant, with an extensive corporate and project finance background. Joined the board in November 2002.

Douglas Sutherland, CA
Non-executive director
Has over 40 years' experience in banking of which 34 years were with Nedbank Group holding senior positions in Johannesburg and London in investment banking and commercial lending. Joined the board in October 2004.

Oliver Prior, ACII
Non-executive director
Has over 40 years' experience in insurance brokerage and has served in several directorial roles for a number of Lloyd's insurance broking companies prior to joining Willis Faber and Dumas Limited. Currently a senior consultant with The FirstCity Partnership Limited. Joined the board in October 2004.

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Oxus Resources Corporation
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Fax: +356 2124 3219

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Malta

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Fax: +44 (0) 20 7907 2001
Email: oxus@oxusgold.co.uk
Registered in England: 2858731

Representative Office
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Email: tgmcoff@elcat.kg

Company Secretary
Richard Wilkins

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27 Upper Brook Street
London W1K 7QF UK

Media and Communications
Bankside Consultants Limited
1 Frederick's Place
London EC2R 8AE UK

Auditors
BDO Isle of Man
9 Myrtle Street
Douglas
Isle of Man IM1 1ED
British Isles

Solicitors
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Wheal Jane, Baldhu
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Bankers
HSBC
HSBC House
Ridgeway Street, Douglas
Isle of Man IM99 1AU
British Isles

Registrars
Capita Registrars
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU UK

SENIOR MANAGEMENT

GROUP

Darryl Norton - Project Director
Stephen Westhead - Chief Geologist
Geoff McLoughlin - Chief Metallurgist
Terry Kung - Chief Accountant
Alexander Polikashin - Head of Uzbekistan Representative Office

AMANTAYTAU GOLDFIELDS

Derek Webbstock - General Director
Sergey Salamatin - Deputy General Director
Richard Gilroy - Chief Engineer
Peter Joubert - Chief of Security
Bakhrom Jalolov - Plant Manager
Shaun Ball - Mining Manager
Julian Woodcock - Chief Geologist
Bertie Brink - Financial Manager
Bobir Narziev - Chief Accountant

TALAS GOLD MINING COMPANY

Stephen Westhead - General Director
Fred Huston - Director
Franz Schlosser - General Manager
Jyldyz Chekirova - Chief Accountant