



## Oxus Mining plc

### Interim Results for the twelve months ended 31 December 2002

#### *Principal Developments*

- Following a board restructuring in the fourth quarter of 2003, the executive directors now consist of:
  - William Trew – Chief Executive Officer
  - John Donald – Chief Operating Officer
  - Jonathan Kipps – Finance Director
  - Richard Wilkins – Director, Corporate Affairs
- In order to reduce capital requirements and enhance the Amantaytau profitability, two major changes were made to the Amantaytau Goldfields Phase 1 (oxides) Project. The process route was changed from heap leach to conventional milling followed by carbon-in-pulp, thus increasing gold recovery from 72% to 90%, and contract mining was chosen instead of owner/operator, thus reducing the capital requirement.
- Standard Bank London Limited and WestLB AG, joint arrangers of a US\$36 million project finance facility for the construction of Amantaytau Goldfields Phase 1 (oxides) Project, consisting of US\$30 million term loan plus a cost overrun facility of US\$6 million, have received credit approval to underwrite this facility, as previously announced by the Company on 6 March 2003. Subject to the satisfaction of legal and administrative conditions precedent, it is envisaged that these funds will be available for draw down in the first half of April 2003.
- The Jerooy mining licence was annulled in August 2002. The directors are continuing negotiations with the Kyrgyz authorities to re-instate this licence.
- Oxus has been granted exclusive rights to develop the Khandiza project through either a concession agreement or a production sharing agreement, not a 50% owned joint venture as previously contemplated.

#### *Financial Results*

- The Group's activities continued to be focussed on the financing of the Amantaytau Goldfields Phase 1 (oxides) Project. Consequently, the Group had no income from operations but continued to apply funds to projects, resulting in a loss for the period of US\$9.1 million. This includes a provision of US\$6.9 million with respect of Oxus' entire investment in Jerooy's deferred exploration expenditure.
- The placing of 50 million shares at £0.10 per share by a Placing and Open Offer, underwritten by Brown, Shipley & Co. Limited, in June 2002, raised a net US\$6.34 million which financed the Group's operations.
- At the time of first drawdown of the finance facility, the Company's cash balance will benefit from a US\$1.5 million reimbursement of previously expended finance costs.

#### *Outlook*

- The Company remains committed to finalising the financing of the Amantaytau Goldfields Phase 1 (oxides) Project. Ground preparations and construction of the project, which is well under way, will take a further eight months, and gold production is scheduled for December 2003.
- Drilling programmes and feasibility studies are being planned for the Amantaytau Phase 2 (sulphides) Project as well as outlying oxide heap leach projects within the Amantaytau area, to unlock the 19 million ounces of potential gold resources already identified.
- Completion of the feasibility study on Khandiza is being assessed.

## Consolidated Profit and Loss Account

For the twelve months to 31 December 2002

	Unaudited 12 months to 31.12.2002 US\$'000	Audited 12 months to 31.12.2001 US\$'000
<b>Group turnover</b>	0	177
Administration expenses	(2,071)	(1,641)
<b>Group operating loss before exceptional item</b>	(2,071)	(1,464)
Provision against diminution in value of exploration properties	(6,954)	-
<b>Total group operating loss</b>	(9,025)	(1,464)
Net interest payable - Group	(88)	(110)
<b>Loss on ordinary activities before taxation</b>	(9,113)	(1,574)
Tax on loss on ordinary activities	(10)	(7)
<b>Loss on ordinary activities after taxation</b>	(9,123)	(1,581)
<b>Retained loss for the period</b>	(9,123)	(1,581)
<b>Loss per share</b>		
- basic (per share cents)	(5.81)	(1.42)
- diluted (per share cents)	(5.81)	(1.42)

## Consolidated Balance Sheet

At 31 December 2002

	Unaudited 31.12.2002 US\$'000	Audited 31.12.2001 US\$'000
<b>Fixed assets</b>		
Tangible assets	115	204
Exploration and evaluation properties	6,615	13,921
	<b>6,730</b>	<b>14,125</b>
<b>Investments</b>		
Interests in joint ventures	4,119	4,119
Loans to joint ventures	13,078	6,078
	<b>17,197</b>	<b>10,197</b>
<b>Total fixed assets</b>	<b>23,927</b>	<b>24,322</b>
<b>Current assets</b>		
Debtors	284	338
Cash at bank and in hand	1,769	2,737
	2,053	3,075
<b>Creditors – Amounts falling due within one year</b>	(2,409)	(1,043)
<b>Net current assets / (liabilities)</b>	<b>(356)</b>	<b>2,032</b>
<b>Net assets</b>	<b>23,571</b>	<b>26,354</b>
<b>Capital and reserves</b>		
Called up share capital	2,597	1,845
Share premium account	14,927	9,339
Merger reserve	34,928	34,928
Profit and loss account	(28,881)	(19,758)
<b>Total shareholders' funds</b>	<b>23,571</b>	<b>26,354</b>

### Notes

1. This Interim Statement for the twelve months ended 31 December 2002 is unaudited and was approved by the directors on the 28 March 2002. The financial information set out does not constitute statutory accounts within the meaning of Section 240 of the Companies Act 1985. Statutory accounts relating to the year ended 31 December 2001 have been filed with the Registrar of Companies.
2. No dividends were paid or proposed in respect of the twelve months ended 31 December 2002.
3. The Group's accounting policies remain as stated in the Annual Report for the year ended 31 December 2001.

## Consolidated Cash Flow Statement

For the twelve months to 31 December 2002

	Unaudited 12 months to 31.12.2002 US\$'000	Audited 12 months to 31.12.2001 US\$'000
<b>Net cash outflow from operating activities</b>	(939)	(1,469)
<b>Returns on investments and servicing of finance</b>		
Interest received	92	79
Interest paid	(180)	(337)
Net cash outflow from returns on investments and servicing of finance	(88)	(258)
<b>Taxation</b>	(14)	(18)
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(38)	(56)
Sale of tangible fixed assets	18	10
Exploration and evaluation expenditure	(1,648)	(3,292)
Funding of joint ventures' capital expenditure	(4,999)	(1,182)
Net cash outflow for capital expenditure and financial investment	(6,667)	(4,520)
<b>Acquisitions and Disposals</b>		
Sale of a minority share in subsidiary	400	-
Net cash outflow before use of liquid resources and financing	(7,308)	(6,265)
<b>Financing</b>		
Issue of ordinary share capital	7,512	11,100
Expenses of share issues	(1,172)	(2,088)
Proceeds of redeemable debenture	-	249
Repayment of convertible note	-	(761)
Repayment of loan from director	-	(71)
Net cash inflow from financing	6,340	8,429
<b>Increase in cash</b>	(968)	2,164
<b>Reconciliation to net debt</b>		
Net cash / (debt) at 1 January	2,737	(816)
Increase / (decrease) in net funds from cash flows	(968)	2,164
Movement in loan from director	-	71
Movement in convertible loan	-	1,318
<b>Net cash / (debt) at end of period</b>	1,769	2,737

### Reconciliation of operating loss to net cash flow from operating activities

<b>Operating loss</b>	(2,071)	(1,464)
Depreciation	80	73
(Increase)/decrease in debtors and prepayments	53	(234)
Increase / (decrease) in creditors and accruals	1,180	(986)
Exploration expenditure written off / provided for	-	10
Salaries and bonuses converted to shares	-	833
Amounts due to creditors, converted to shares	-	510
Profit on foreign exchange	(181)	(211)
<b>Net cash flow from operating activities</b>	(939)	(1,469)

## Reconciliation of Movements in Group Shareholders' Funds

For the twelve months to 31 December 2002

	Unaudited 12 months to 31.12.2002 US\$'000	Audited 12 months to 31.12.2001 US\$'000
Loss for the period	(9,123)	(1,581)
Net proceeds of ordinary shares issued	6,340	10,837
<b>Net change in shareholders' funds</b>	(2,783)	9,256
Shareholders' funds as at 1 January (after adding prior year adjustment of \$251,000 in respect of 1 January 2001)	26,354	17,098
<b>Shareholders' funds at end of period</b>	23,571	26,354

## **CORPORATE DETAILS:**

- Company:** ***Oxus Mining plc***  
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Phone: +44 (0)1483 714411 Fax: +44 (0)1483 714014  
Email: oxus@oxusgold.co.uk Web: www.oxusminingplc.com
- Board of Directors:** Michael Beckett – *Non-executive Chairman*  
William Trew – *Chief Executive Officer*  
John Donald – *Chief Operating Officer*  
Jonathan Kipps – *Finance Director*  
Richard Wilkins – *Executive Director & Secretary*  
Mark Wellesley-Wood – *Non-executive Director*  
Richard Shead – *Non-executive Director*  
Daniel Kappes – *Non-executive Director*
- Company Secretary:** Richard Wilkins
- Nominated Adviser:** ***Brown, Shipley & Co. Limited***  
Founders Court, Lothbury, London EC2R 7HE, UK  
Phone: +44 (0)20 7282 3270  
*Contacts:*  
Bill Staple  
Martin Eales
- Broker:** ***Brown Shipley Securities, a division of Brown, Shipley & Co. Limited***  
Founders Court, Lothbury, London EC2R 7HE, UK  
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*Contacts:*  
Craig Cowan  
Gavin Haywood
- Auditors:** ***BDO Isle of Man***  
9 Myrtle Street, Douglas, Isle of Man IM1 1ED
- Solicitors to the company:** ***CMS Cameron McKenna***  
Mitre House, 160 Aldersgate Street, London EC1A 4DD, UK
- Mineral Industry Consultants:** ***CSMA Consultants***  
Trevenson Pool, Redruth, Cornwall TR15 3SE
- Financial Adviser:** ***Endeavour Financial Corporation***  
3<sup>rd</sup> Floor, Global Life Building, PO Box 1087 GT, North Church Street,  
George Town, Grand Cayman BWI
- Bankers:** ***Barclays plc***  
Corporate Banking, PO Box 673, Town Gate House, Church Street East,  
Woking, Surrey GU21 6XW, UK
- Registrars:** ***Capita IRG***  
Bourne House, Beckenham Road, Beckenham, Kent BR3 4TU, UK