



Group Interim Results for the six months ended 31 December 2003

Highlights

- **Construction of the Amantaytau Goldfields oxide mine was completed within budget, to specification and on time.**
- **Gold production to date on target (6,000 ounces).**
- **Marakand Minerals Limited successfully quoted on AIM in December 2003, realising significant value for Oxus shareholders, whilst retaining Marakand as a subsidiary company.**
- **Distribution to Oxus shareholders of one share in Marakand Minerals for every ten shares held in Oxus.**
- **Feasibility study for Jerooy completed and mine construction started in October 2003.**

Corporate and Operating Activities

The six months period under review was a momentous one for Amantaytau Goldfields. The carbon-in-pulp process plant was built and the essential infrastructure was put in place. The mining contractor mobilised and brought into operation the full mining fleet. In short the oxide mine was built to a state of operational readiness. Gold production was started in January 2004 and to date in excess of 6,000 ounces of gold bullion have been produced. The plant is now operating at designed throughputs.

At our Jerooy Project in Kyrgyzstan, the feasibility study was completed, and mine construction and detailed design was started with the main access road being rebuilt, site offices established and the necessary survey and geotechnical work completed. The detailed design of the process plant, tailings facility, infrastructure and the mining operation for both open pit and underground is currently underway.

Financial Results

Marakand Minerals Limited raised £4m by way of a private placement prior to listing to complete its feasibility study on the Khandiza Polymetallic Project. Based on this, the exploration rights in Marakand Minerals, now a subsidiary of Oxus, have been revalued to \$28.46m.

The Company placed 1m shares at 60p in September 2003 and sold 2m shares in Marakand Minerals in December 2003 in order to fund ongoing exploration activities.

In December 2003 the Company notified its shareholders of its intention to create distributable reserves by the cancellation of the share premium account and thereafter distribute shares in Marakand to Oxus shareholders. This process was completed on 5 February 2004, with the transfer of \$24.22m of share premium to distributable reserves and the subsequent distribution of 21.18m Marakand shares. The directors of Oxus waived a further 240,000 Marakand shares out of their own allocation in favour of Oxus shareholders in order to honour the undertaking to distribute one share in Marakand Minerals for every ten shares held in Oxus.

Outlook

The outlook for the Company remains exciting. The first priority is to complete the commissioning of the Amantaytau mine and bring it on stream consistently producing the planned production and achieving the cost targets. The Amantaytau Sulphide feasibility study is now fully underway and will be completed in July this year. Construction is targeted to commence in October 2004.

Financing of the Jerooy Project is currently being addressed. Full scale mine construction at Jerooy is scheduled for April 2004.

The Company actively continues to upgrade and explore its existing resources and to pursue the acquisition of new gold projects in Uzbekistan to augment its current portfolio of resource ounces. A revised ore reserve and resource schedule will be published shortly.

The Marakand feasibility study is on track and construction is scheduled to start in October 2004.

Consolidated Profit and Loss Account

For the six months to 31 December 2003

	Unaudited 6 months to 31.12.03 US\$'000	Audited 18 months to 30.06.03 US\$'000
Group turnover	396	762
Administration expenses	(1,858)	(2,677)
Total group operating loss	(1,462)	(1,915)
Net interest receivable / (payable)	77	393
Loss on ordinary activities before taxation	(1,385)	(1,522)
Exceptional items	-	(1,293)
Tax on loss on ordinary activities	-	(17)
Loss on ordinary activities after taxation	(1,385)	(2,832)
Retained loss for the period	(1,385)	(2,832)
Profit per share		
- basic (per share cents)	(0.71)	(1.71)
- diluted (per share cents)	(0.65)	(1.71)

Consolidated Balance Sheet

At 31 December 2003

	Unaudited 31.12.03 US\$'000	Audited 30.06.03 US\$'000
Fixed assets		
Tangible assets	173	-
Exploration and evaluation properties	44,094	15,113
	44,267	15,113
Investments		
Interests in joint ventures	4,119	4,119
Loans to joint ventures	14,091	12,806
	18,210	16,925
Total fixed assets	62,477	32,038
Current assets		
Debtors	531	265
Cash at bank and in hand	8,973	3,855
	9,504	4,120
Creditors – Amounts falling due within one year	(2,067)	(2,158)
Net current assets / (liabilities)	7,437	1,962
Net assets	69,914	34,000
Capital and reserves		
Called up share capital	2,848	2,824
Share premium account	20,102	18,827
Merger reserve	34,929	34,929
Capital reserve	28,529	-
Profit and loss account	(23,975)	(22,590)
Total shareholders' funds	62,433	33,990
Equity minority interests	7,481	10
Capital employed	69,914	34,000

Notes

1. This interim statement for the six months ended 31 December 2003 is unaudited and was approved by the directors on 20 February 2004. The information set out does not constitute statutory accounts within the meaning of Section 240 of the Companies Act 1985. Statutory accounts relating to the period ended 30 June 2003 have been filed with the Registrar of Companies.
2. Post balance sheet event.
Following the successful admission of the Group's subsidiary, Marakand Minerals Limited, to AIM, Oxus Gold plc has distributed a portion of its holding in Marakand Minerals Limited as a dividend.
3. The Group's accounting policies remain as stated in the Annual Report for the period ended 30 June 2003.

Consolidated Cash Flow Statement

For the six months to 31 December 2003

	Unaudited 6 months to 31.12.03 US\$'000	Audited 18 months to 30.06.03 US\$'000
Net cash outflow from operating activities	(1,996)	(1,769)
Returns on investments and servicing of finance		
Interest received	77	553
Interest paid	0	(160)
Net cash inflow from returns on investments and servicing of finance	77	393
Taxation	-	(36)
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(173)	(45)
Sale of tangible fixed assets	-	43
Exploration and evaluation expenditure	(525)	(1,192)
Funding of joint ventures' capital expenditure	(681)	(6,728)
Net cash outflow for capital expenditure and financial investment	(1,379)	(7,922)
Acquisitions and Disposals		
Sale of a minority share in subsidiary	7,465	400
Purchase of a minority share in subsidiary	-	(400)
Net cash inflow/(outflow) before use of liquid resources and financing	4,167	(9,334)
Financing		
Issue of ordinary share capital	951	11,624
Expenses of share issues	-	(1,172)
Net cash inflow from financing	951	10,452
Increase in cash	5,118	1,118
Reconciliation to net cash		
Net cash at 1 July	3,855	2,737
Increase in net funds from cash flows	5,118	1,118
Net cash at end of period	8,973	3,855
Reconciliation of operating loss to net cash outflow from operating activities		
Operating loss	(1,462)	(3,208)
Depreciation	-	207
(Increase)/decrease in debtors and prepayments	(266)	73
Increase / (decrease) in creditors and accruals	(91)	1,155
Salaries and bonuses converted to shares	348	15
Sundry income	(92)	-
(Profit) on foreign exchange	(433)	(11)
Net cash outflow from operating activities	(1,996)	(1,769)

Reconciliation of Movements in Group Shareholders' Funds

For the six months to 31 December 2003

	Unaudited 6 months to 31.12.03 US\$'000	Audited 18 months to 30.06.03 US\$'000
Loss for the period	(1,385)	(2,832)
Net proceeds of ordinary shares issued	1,299	10,467
Capital reserve arising on revaluation of exploration rights	22,258	-
Capital reserve arising on issue of shares in subsidiary	6,271	-
Merger reserve movement on consolidation	-	1
Net change in shareholders' funds	28,443	7,636
Shareholders' funds as at beginning of period	33,990	26,354
Shareholders' funds at end of period	62,433	33,990

CORPORATE DETAILS:

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Board of Directors: Michael Beckett – *Non-executive Chairman*
William Trew – *Chief Executive Officer*
Richard Shead – *Director of Corporate Development*
John Donald – *Chief Operating Officer*
Jonathan Kipps – *Finance Director*
Richard Wilkins – *Executive Director & Secretary*
Mark Wellesley-Wood – *Non-executive Director*
Daniel Kappes – *Non-executive Director*

Company Secretary: Richard Wilkins

**Nominated Adviser
and Broker:** ***Williams de Broë Plc***
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Auditors: ***BDO (Isle of Man)***
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Registrars: ***Capita Registrars***
The Registry, 34 Beckenham Road, Beckenham, Kent,
BR3 4TU, United Kingdom

Abbreviations used:

'AGF' or 'Amantaytau'	Amantaytau Goldfields AO
'Oxus' or 'the Company'	Oxus Gold plc
'Marakand' or 'Marakand Minerals'	Marakand Minerals Limited