



Results for the Quarter Ended 30 June 2005

29 July 2005

ASX & AIM Symbol "EUG"

HIGHLIGHTS

CORPORATE

- Eurogold ("EUG") has agreed, subject to due diligence and shareholder approval, to sell its gold assets in Romania and Ukraine to Oxus Gold Plc ("Oxus"), a UK gold mining group with existing gold production and exploration assets in Central Asia.
- The consideration for the assets will be in the form of Oxus shares with the total value of the transaction being £17.3 million, equal to £0.07 per Eurogold share, based on an Oxus share price of 46.7p.

UKRAINE

- New geological model indicated the potential for a significant increase in resources at the Saulyak gold project (refer ASX announcement of 13 June 2005).
- Kryvbasproject, a certified Mine Project Design company, awarded contract for the design and supervision of a new adit 3 entrance and extensive tunnel work and mine development within the existing ore bodies.

ROMANIA

- The historically mined "June II" deposit, situated 11 kms from the Transgold plant, identified as having the potential to contribute a significant new source of hard rock material.

GENERAL

- The board has accepted the resignation of Joint Company Secretary, Mr Les Kozel, effective 15 July 2005.

1.0 PROPOSED SALE OF GOLD ASSETS TO OXUS GOLD

On 14 July 2005, Eurogold ("EUG") announced that it had agreed terms for the sale of its gold assets in Romania and Ukraine to Oxus Gold Plc ("Oxus"), a UK gold mining group with existing gold production and exploration assets in Central Asia.

The consideration for the assets will be in the form of Oxus shares with the total value of the transaction being £17.3 million, equal to £0.07 per Eurogold share, based on an Oxus share price of 46.7p.

About Oxus

Oxus are listed on the London AIM market and have a 12 month trading range of 41.5p (May 18) to 71p (March 21) equivalent to a Eurogold share price range of \$0.14 to \$0.24 (assuming an exchange rate of A\$2.30 = £1.00). The transaction has therefore been struck in the lowest quartile of the Oxus trading range.

Oxus produce in excess of 200,000 oz of gold per annum from their "Amantaytau" operation in Uzbekistan which is shared 50:50 with the Uzbek Government.

In September Oxus begin production from the Vysokovoltnoye silver deposit some 12 miles from Amantaytau.

Oxus has also commenced construction at the Jerooy gold deposit in Kyrgyzstan and the mine is expected to start production in the second quarter of 2006 at an annual rate of 180,000 ounces a year. Oxus has already spent \$23 million at Jerooy and recently raised \$55 million to complete construction. The company has been negotiating with the government of the Republic of Kyrgyzstan for the re-instatement of the Jerooy licence, which was purportedly annulled in August 2004.

Oxus have in excess of US\$30 million in cash at bank which was raised via a placement at £0.50 and completed in March of this year.

Further details on Oxus, including broker research reports, can be viewed via the Oxus website www.oxusgold.co.uk.

The Merged Entity

The "new Oxus" will have gold mining and exploration operations in four former Soviet Block countries, namely Kyrgyzstan, Romania, Ukraine and Uzbekistan and is expected to produce in the vicinity of 200,000 oz of gold in its own right by 2006.

Eurogold shareholders will therefore have exposure to a much larger, more liquid and more diverse mining house which in time should attract a higher rating by the capital markets.

Following the sale, Eurogold intends to complete an in specie distribution of these Oxus shares to its shareholders.

Finalisation of the transaction is conditional upon the satisfactory completion of full due diligence and valuation of the assets, and on the approval of Eurogold's shareholders at an EGM which is hoped to be held in late September. However, the timing of the meeting is dependent on the timing of the completion of report by an independent expert on the fairness and reasonableness of the transaction to Eurogold shareholders. Shareholders will be updated on the timing of the EGM in due course.

2.0 UKRAINE – SAULYAK GOLD PROJECT (Eurogold 99.9%)

1.1 Geology

Resource modelling, based on both recent drilling results and previous Soviet drilling results, has been carried out to estimate the additional gold resources at Saulyak down-dip of the previously defined resources (in Soviet C1 and C2 categories) of 578,000 ounces.

Four drillholes in this down-dip zone, namely C304, C304-2, C307 and C408, had returned encouraging results and defined an interpreted area of continuous mineralisation. An estimation of the Inferred Resource (JORC Code) within this envelope has now been undertaken. The estimate is based on assigning a 150m radius of influence around drillhole intersections to define the mineralised envelope. Mean drillhole grade and thickness parameters have been weighted to derive global values. The in-situ resource estimate for the down-dip zone is 2.5 million tonnes of ore at 8 g/t Au containing 650,000 oz of gold, bringing the total estimated resource at Saulyak to over 1.2 million ounces.

Geoinformatics Exploration Inc. continued to evaluate further data collection to enable expansion of the 3D modelling of the Saulyak deposit and highlight new potential drilling targets for both the underground and surface drilling programme.

During the quarter a geological audit was undertaken by the Ukrainian Geological Commission to ensure Saulyak complied with correct methodology and geological documentation to Ukrainian standards.

1.2 Underground

Continuation of the refurbishment and making safe the underground workings progressed steadily and preparation work continued to underground drilling locations. Construction work was commenced on the rehabilitation of a ventilation rise.

1.3 Infrastructure

Installation of the 10 km electrical power line required for the mine adits commenced with completion expected late July.

1.4 General

An underground drilling programme is planned for the current quarter and expected to commence once installation of the electrical power line is completed.

2.0 ROMANIA – TRANSGOLD SA (Eurogold 50%)

2.1 A total of 72,619 tonnes of material was treated in the plant during the quarter. The Hanau project produced 11,836 tonnes of hard rock ore during the quarter. The ore mined contained an average head grade of 3.3 g/t and a recovered grade of 2.6 g/t was achieved. The average gold price realised over the quarter was US\$422 per ounce.

2.2 Capital Projects

During the quarter the Company decided not to proceed with further development of the Central Tailings Project at Baia Mare but is focussing on merging and ramping up its Romanian and Ukrainian hard rock deposits, which are located only 60 kms apart, and utilising its 50% owned Transgold processing plant at Baia Mare.

2.3 Production Statistics and Gold Sales

Production Statistics

		June 2005	March 2005	Dec 2004
Hanau hard rock ore	tonnes	11,836	6,654	11,905
Concentrate material moved	tonnes	10,502	7,679	8,590
Toll ore treated	tonnes	50,281	45,429	52,640
Processing CIL				
Dry tonnes treated	tonnes	72,619	59,762	73,135
Total Gold Produced	ounces	6,094	4,064	6,442
Total Silver Produced	ounces	25,529	16,833	25,028
Cash Costs	US\$/oz	360	478	387

Gold Sales

Sales		June 2005	March 2005	Dec 2004
Total Bullion Sales				
Gold	oz	4,340	5,850	6,678
Silver	oz	20,730	21,570	24,869
Average Realised Prices				
Gold	US\$	422	423	436
Silver	US\$	7.09	6.82	7.16
Toll Treatment Revenue	US\$000	705	544	980

Hedging

No hedging contracts for gold or silver are in place. All sales of bullion were made at spot price during the quarter.

All of the mining activity for the Eurogold Group is located outside Australia and as such all of the mineral resources or ore reserves in this report are based on information compiled by Mr Vasile Prodan who is a recognised mining professional. Mr Prodan holds a Degree in Geology from the University of Cluj and has at least five years experience in the estimation, assessment and evaluation of the type of mineral resources and ore reserves in this report and is a member of the Romanian Association of Geologists.

This report complies with Appendix 5B of the Listing Rules.

PETER GUNZBURG

Executive Chairman

1.13	Total operating and investing cash flows (brought forward)	(3,179)	(9,753)
	Cash Flows Related to Financing Activities		
1.14	Proceeds from issues of shares, options, etc.	6,098	13,503
1.15	Proceeds from sale of forfeited shares	0	0
1.16	Proceeds from borrowings	0	0
1.17	Repayment of borrowings	0	0
1.18	Dividends paid	0	0
1.19	Other (Capital Raising Costs)	(325)	(1,111)
	Net Financing Cash Flows	5,773	12,392
	Net Increase (Decrease) in Cash Held	2,594	2,639
1.20	Cash at beginning of quarter/year to date	232	330
1.21	Exchange rate adjustments to 1.20	17	(126)
1.22	Cash at End of Quarter	2,843	2,843

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	286
1.24	Aggregate amount of loans to the parties included in item 1.10	1,460

1.25 Explanation necessary for an understanding of the transactions

Salaries, superannuation contributions, consulting and directors fees paid to Directors.

Non-Cash Financing and Investing Activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

none

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

none

Financing Facilities Available

Add notes as necessary for an understanding of the position.

	Amount Available \$A'000	Amount Used \$A'000
3.1 Loan facilities	0	0
3.2 Credit standby arrangements	0	0

Estimated Cash Outflows for Next Quarter

	\$A'000
4.1 Exploration and evaluation	950
4.2 Development	350
Total	1,300

Reconciliation of Cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current Quarter \$A'000	Previous Quarter \$A'000
5.1 Cash on hand and at bank	2,843	195
5.2 Deposits at call	0	37
5.3 Bank overdraft	0	0
5.4 Other	0	0
Total: Cash at End of Quarter (item 1.22)	2,843	232

Changes in Interests in Mining Tenements

	Tenement Reference	Nature of Interest (note (2))	Interest at Beginning of Quarter	Interest at End of Quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	No changes in Interests	-	-
6.2	Interests in mining tenements acquired or increased	No changes in Interests	-	-

Issued and Quoted Securities at End of Current Quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Number Issued	Number Quoted	Issue Price Per Security (cents)	Amount Paid Up Per Security (cents)
7.1 Preference + securities <i>(description)</i>	Nil	Nil	N/Applicable	N/Applicable
7.2 Issued during quarter	Nil	Nil	N/Applicable	N/Applicable
7.3 +Ordinary Securities	217,679,494	217,679,494	N/Applicable	N/Applicable
7.4 Issued during quarter	35,714,286	35,714,286	GBP£0.07	GBP£0.07
7.5 +Convertible Debt Securities <i>(description)</i>	Nil	Nil	N/Applicable	N/Applicable
7.6 Issued during quarter	Nil	Nil	N/Applicable	N/Applicable
7.7 Options <i>(description)</i>	2,000,000 <i>(unquoted Facilitator options)</i>	Nil	Nil Nil	Nil Nil
7.8 Issued during quarter	Nil	Nil	Nil	Nil
7.9 Exercised during quarter	Nil	Nil	Nil	Nil
7.10 Expired during quarter	Nil	Nil	N/Applicable	N/Applicable
7.11 Debentures <i>(totals only)</i>	Nil	Nil		
7.12 Unsecured Notes <i>(totals only)</i>	Nil	Nil		

Compliance Statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Law or other standards acceptable to ASX (see note 4).
- 2 This statement does ~~not~~* (*delete one*) give a true and fair view of the matters disclosed.

P L GUNZBURG
Executive Chairman

Date: 29 July 2005

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of Interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and Quoted Securities.** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

=====