ZincOx Resources plc
Preliminary Results - Year Ended 31 December 2002

ZincOx Resources plc, a world leader in the design of processes to treat zinc oxide deposits, today announced 12 month results for the year ended 31 December 2002.

ZincOx's objective is to become a major producer of zinc with operating costs among the lowest in the world. The company has an international portfolio: the Shaimerden deposit (Kazakhstan), the Las Damas project (Mexico), the Tsumeb project (Namibia), Jabali deposit (Yemen) and the Yanbu project (Saudi Arabia).

Commenting on the results, Noël Masson, Chairman, said: "The acquisition of the high grade Shaimerden deposit in Kazakhstan and our more recent involvement in Mexico have added important new projects to the portfolio, in line with our strategy of geographic diversification"

Operational Highlights

- Kazakhstan: Acquisition of Shaimerden deposit.
  A major high grade open pit resource
- Mexico: Las Damas joint venture commenced.
  A high grade underground target with rapid development potential
- Yemen: Jabali resource increased to 12.6 million tonnes.
  Design of a new process route allowing production independent of Yanbu.
- Saudi Arabia: Yanbu plant site reserved and British Offset support confirmed

The directors of ZincOx are pleased to present the complete set of preliminary results in the attached document

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ZincOx Resources plc
Preliminary Results for the year ended 31 December 2002

Chairman's Statement

In line with our policy of geographic diversification, during 2002, we are delighted to have acquired the high grade Shaimerden deposit in Kazakhstan. Over the past year considerable progress has been made on this and the Jabali project. For both these projects we have now identified process routes that will allow their profitable operation even at today's severely depressed zinc prices. Together these projects alone have the potential to produce over 100,000 tonnes of zinc per year. At this level of production the company would be ranked firmly among the medium sized zinc producers, but, more significantly, the cost of zinc production from these projects should be among the lowest in the world and profitable even at the current zinc price.

Since Shaimerden and Jabali require the construction of new plants, production of zinc will not occur for at least 24 months. In order to generate earlier potential cash flow, we have recently added the Las Damas project in Mexico to our portfolio. At Las Damas we have entered into a joint venture agreement whereby we can earn a 50% interest in a number of small zinc oxide mines that have been worked intermittently over the past 50 years and where there is excellent potential for additional zinc deposits. One property in particular, Esperanza, provides an immediate target and drilling from old underground workings is planned. Due largely to the low capital cost of establishing this operation we hope to be able to make a development decision before the end of this year, with production commencing during 2004.

In the middle of the year we acquired the Shaimerden project, in Kazakhstan. Since independence in 1991, the country has adopted open and forward looking economic policies. Its considerable oil reserves have attracted major international companies which have invested heavily in new production and transport projects. The benefits of these developments are largely responsible for Kazakhstan's double digit growth rate, one of the highest in the world.

Metallurgical test work at Shaimerden has demonstrated that it is possible to process the ore in two different ways. The first one is comparable to the low cost process applied for many years at the Padaeng mine, in Thailand, and more recently at the Skorpion project, in Namibia, where the final product will be pure zinc metal. The second is a thermic process producing a concentrate suitable for sale to conventional smelters.

The zinc smelters of Kazakhstan and central Asian countries are well placed to meet Chinese demand. Today China represents the largest and fastest growing zinc market in the world with consumption increasing by 12% per annum. Notwithstanding increased output, in 2002, for the first time, Chinese zinc mine production failed to meet internal demand. Central Asian smelters are expanding to meet this new demand but as there is little new mine production planned for the region there should be interest not only in metal from Shaimerden but also concentrate and even ore.

Previous work at Shaimerden by Ennex International plc, the former owners, investigated the possibility of producing 100,000 tonnes per annum of zinc metal. It gave a marginal economic return as the life of the project was too short for the size of the capital required. We have decided to investigate a project producing at a rate of 60,000 tonnes per annum of zinc metal and with less automation, but more labour intensive. However a larger workforce is very much less cost critical in Kazakhstan, where the cost of skilled labour is low. As we are not using equipment constrained by economies of scale we can commence production at a more modest size and build up to 60,000 tonnes per annum. We are in the process of negotiating a turnkey development with an engineering company that has considerable experience in the development of small zinc plants.

At the Jabali project, an in-fill drilling programme was undertaken at the end of the year to upgrade the status of the resource, sufficient for a development decision to be made. Recent geological remodelling of the deposit by international consultants has confirmed a resource of 12.6 million tonnes at a zinc grade of 8.9% with 1.1% lead and 68g/t silver. As the ore body remains open on two sides we are confident that there is further significant zinc mineralisation, which could add to the life of a mining operation.

Previously our plans for Jabali involved the production of a zinc concentrate that could be shipped up the Red Sea to Yanbu, an industrial park in Saudi Arabia. At Yanbu, a major new zinc "smelter" complex is planned, using technology that would enable low quality feed to be treated at low cost. However, progress has slowed at Yanbu, while a local partner is sought, but discussions are underway with suitable potential partners.

In order to have the flexibility to develop Jabali independently of the Yanbu project, we have investigated the potential to produce an internationally saleable product from Jabali. A scoping study has recently been completed for a project that will take the zinc flotation concentrate and upgrade it using Waelz and calcining kilns so that a very high grade oxide concentrate is produced. Due to Jabali's size, we do not believe that the production of a high grade concentrate would compromise the provision of sufficient lower grade concentrate for the development of the Yanbu Project.

Over the past year we have examined a number of options for the treatment of the Tsumeb slags, over which we currently hold an option to purchase a 50.1% interest. Our test work has indicated that we would be able to recover a high proportion of the zinc and germanium into an oxide fume. However the preliminary cost estimate for the capital development of such a plant is quite substantial and the economic returns generated by this project would not be sufficiently attractive, at the currently depressed metal prices, to warrant development. Studies investigating ways of reducing the capital expenditure are underway.

Work over the past year has shown that the Remac project in Canada will require a higher zinc price for its development and it was decided to exchange our direct interest in Remac for shares in Redhawk Resources Inc, our partner in the project. This has enabled us to maintain an interest without ongoing work commitments, as had been the case. ZincOx now holds a 22% interest in Redhawk. At the same time, Redhawk took over the Torlon project in Guatemala, which has been subsequently dropped from their portfolio.

When we listed the company on AIM, our main projects were in the Middle East. In order to achieve our long term objective of becoming a major zinc producer we have broadened our portfolio of projects beyond the Middle East. The recent turmoil in the region has undoubtedly reduced the appetite for our shares among potential investors but as the quality of our projects elsewhere begins to be recognised we believe the interest in the company should increase.

Another important issue for potential investors is the zinc price, which has continued to remain extremely low. This low price has not been due to a fall in demand, as global zinc consumption continues to grow and increased by 2.1% in 2002. The lower price is a consequence of the imbalance between supply and demand. Mine output has been reduced over the past 18 months, but over the same period smelter capacity and metal production has increased. While a number of older smelters have closed, major new projects initiated before the collapse of the zinc price have commenced production. As this pipeline of new projects is now almost exhausted and given continued steady growth the market should become better balanced and the price is expected to recover steadily over the next 18 months. The dearth of exploration and new project initiation over recent years may well result in significant shortages of zinc in the medium term and indeed Brook Hunt, a leading metal market analysis organisation, predicts an average zinc price of US$1,300 per tonne in 2005, some 60% higher than the price today.

Since zinc is an indispensable part of modern living, we are confident that the price will recover to a level that supports a sustainable industry. In the meantime, we are fortunate to have the technology that enables us to develop projects that can be profitable and financed even at the current price of zinc.

In addition to our work with primary mineral deposits we have, for some time, been working on the recovery of zinc from various secondary and industrial waste materials. This is an exciting new area of growth for the company as such materials are readily available and in many cases are creating an environmental problem for which a solution is urgently required. Tests using technology developed by the company have been very encouraging and we are hopeful that this technology may be brought to commercial account in the near future.

In the middle of the year we participated in a novel financing scheme with the New Opportunities Investment Trust, NOIT. This involved the issue of new ZincOx shares in exchange for new shares in NOIT, with the intention that our shares in NOIT would, following their listing, be placed with institutional investors. Unfortunately, the market conditions did not allow this placement to proceed and the Board of NOIT is currently examining ways in which shareholders can realise their investment.

In view of the delay in realising the NOIT investment, and in order to have sufficient funds to complete the Shaimerden feasibility study, we undertook two small private placements with existing institutional shareholders in February and May 2003. These placings raised £500,000 and £750,000 at a share price of 40p and 47.5p respectively. In addition we are currently finalising a small placing of £492,000 also at a share price of 47.5p.

In order to facilitate an understanding of our business by potential investors and shareholders, it has become clear to us that it would be beneficial for our brokers to have specialist mining expertise and, in the light of this, we are planning to move shortly to Numis Securities as our nominated adviser and brokers.

I should like to take this opportunity to thank all our staff for their support and hard work over the past year, and I am hopeful that these efforts will become more generally recognised by the market over the current year.

N.J.J.Masson 18 June 2003
Chairman

Review of Operations

Shaimerden Project, Kazakhstan

In July 2002, ZincOx acquired a 95% interest in a Kazakh company holding a mining lease over the Shaimerden zinc oxide deposit in northern Kazakhstan. The deposit is located 300km southwest of Kostanai, close to the Russian border. With a zinc grade of 21%, Shaimerden is one of the richest undeveloped zinc deposits in the world.

Considerable work has been carried out at Shaimerden over the last decade by government geologists and the former owners, Ennex International plc. A feasibility study for developing the deposit at the rate of 100,000 tonnes per annum of zinc was completed, on behalf of Ennex, by Jacobs Engineering, in 1999. A hydrometallurgical process route, similar to that developed by the ZincOx management for the Skorpion zinc oxide deposit in Namibia, was chosen. However, while it was technically feasible and the operating costs showed it should become one of the lowest cost zinc mines in the world, the capital cost was too large for the size of the resource at Shaimerden, and as a result the projected economic returns were not sufficient to justify development of the deposit. However, considerable work was completed and over $6 million was spent at Shaimerden prior to ZincOx's acquisition.

A resource at Shaimerden of 4.3 million tonnes of ore grading 20.9% zinc has been established and audited in accordance with the Australian JORC code by Snowden Associates, well-known mineral consultants. The deposit occurs beneath 50 metres of alluvial material and as such can be mined by cheap open pit methods. The ratio of waste material to ore is approx. 11:1 over the mine life. The Shaimerden deposit is about 250 metres wide by 350 metres long and zinc mineralisation is continuous throughout the ore body. The principal zinc minerals are smithsonite and hemimorphite. There are iron ore and bauxite mining operations in the vicinity of Shaimerden and infrastructure in the area is well developed.

Over the last nine months, ZincOx has focused on a different philosophy for the processing of the Shaimerden ore, using as much local engineering expertise as possible, thereby keeping capital costs to a minimum. Both pyrometallurgical and hydrometallurgical processing options have been considered. Initially, test work was carried out at Paul Wurth Engineering in Luxemburg on a newly developed fuming technology, using multiple hearth furnaces. At the same time, encouraging results were obtained from tests completed in the United States, Kazakhstan and Russia on the more traditional Waelz kiln fuming technology. The high zinc grade of the deposit allows concentration of the ore for the production of a fume grading between 65-78% zinc, with good recoveries. Several foreign owned smelters in the region, with whom ZincOx has held discussions, have shown considerable interest in this fume. Having carried out modernisation programmes and increased their capacity, they are keen to increase their production of zinc to satisfy the growing demand locally and from China.

More recently, ZincOx has completed a pre-feasibility study for the production of 60,000 tonnes per annum of zinc from a hydrometallurgical plant located at a town 80km from the deposit. The town is located on the rail network, electricity and gas from the grid is available and skilled labour is plentiful. Substantial capital cost savings are made on infrastructure and other costs when compared to a plant at the mine. A turnkey quote for the plant construction has been received from an experienced regional engineering contractor. A preliminary economic model has indicated a net present value of about US$30 million at a discount rate of 15% with an internal rate of return of 24%. On this basis, a full feasibility study has been initiated, with completion scheduled before the end of 2003.

Concurrent to these studies, fieldwork in Kazakhstan over the last nine months has focused on the collection, by means of a large diameter drill, of a 100 tonne representative sample of the ore for further test work. Permitting of the mining operation, including hydro-geological studies and environmental approvals, is also being carried out and should be completed by September 2003, so that overburden stripping can start shortly thereafter.

Jabali Project, Yemen

Jabali is an oxide deposit containing zinc, silver and lead. It is located some 100km north east of Sana'a, the capital of Yemen, in an unpopulated area of desert mountain terrain. The deposit lies in a Mineral Exploration Licence (MEL) covering 703 km^2.

The MEL is held by a joint venture comprising ZincOx, Ansan Wikfs and Anglo American PLC. ZincOx, which is manager of the project, is earning a 60% interest by completing a feasibility study for the development of a mining operation.

To date, 13,665 metres of diamond and reverse circulation drilling have been carried out. During 2002, 30 in-fill holes, totalling 2,698 metres, were completed, as a result of which SRK Consulting have generated a new computer model for the deposit. This demonstrates a revised geological resource amounting to 12.6 million tonnes at 8.9% zinc, 1.2% lead and 68g/tonne silver. An open pit has been designed and a mining schedule for the treatment of 800,000 tonnes per annum of ore has been developed. The 2002 drilling programme has successfully demonstrated the continuity of the mineralisation, resulting in the waste to ore strip ratio being reduced to 2:1.

The pit design incorporates most of the mineralisation, and the mineable resource amounts to 10.4 million tonnes at a grade of 9.3% zinc, 1.2% lead and 69g/t silver, of which 90% is in the measured and indicated category. This should be sufficient for the potential providers of project finance.

In addition to the drilling, ZincOx completed last year an environmental baseline study in the area around the Jabali deposit. The study was carried out in accordance with standards for environmental protection, as set out by both the World Bank and the Yemeni Environmental Protection Agency for the mining industry. No critical issues were identified.

A study on the availability of water was also carried out and concluded that sufficient water to sustain a mining operation and local community was available in local aquifers at relatively shallow depths.

Previous studies focused on flotation technology for the production of a lead-silver concentrate for sale on the international market and a low grade zinc concentrate for shipment to the planned Yanbu zinc plant in Saudi Arabia. In order that the development of Jabali is not dependent on the development of the much larger Yanbu project, an alternative process route has been developed involving fuming of the flotation zinc concentrate to produce a high grade calcined product, containing about 75% zinc. This should be attractive to smelters throughout the world.

A preliminary feasibility study based on the production of high quality concentrate and mining the measured and indicated resource has been completed. This indicates that at a zinc price of US$800 per tonne, the operation would have a Net Present Value (discounted at 15%) of US$7 million and an Internal Rate of Return of 19%. These indicators rise to US$31 million and 32%, respectively, at a zinc price of US$1,000 per tonne.

ZincOx has established good working relations with the local inhabitants, who are very supportive of the company's efforts to see a mine developed at Jabali. The mining investment laws in Yemen are aimed at attracting foreign investment and ZincOx is appreciative of the support it has had from the Yemeni Government with whom a Mining Agreement is currently being negotiated.

The feasibility study on the development of the deposit is expected by the end of 2003.

Las Damas Project, Mexico

The Las Damas project area is located 165km northeast of Chihuahua city in northern Mexico. It covers numerous zinc prospects, some of which were mined up until the early 1990's for high grade zinc oxide ores (approx. 40% Zn/t). The area is currently held under various licences by a Mexican mining and exploration company called Minas de Rio Tinto (MRT), with whom ZincOx has held discussions for over two years.

In March 2003, ZincOx entered into an agreement with MRT that gives ZincOx the right to earn a 50% interest in the Las Damas project for the expenditure of $5.0million over an eighteen month period. Of this amount $3.0million is a preferential loan paid back from first cash flow. MRT's contribution for its 50% interest are the various Las Damas zinc prospects, a 1000 tonne per day heavy media separation (HMS) plant and a provisional sales contract with a North American zinc smelter. MRT would manage the operation although ZincOx would remain in control during the funding of the $5.0million.

Test work on the ore by MRT and ZincOx has shown it to be amenable to beneficiation by means of HMS, whereby a 40-44% concentrate can be produced. Additional tests have shown that the concentrate can be further upgraded to 65-75% zinc by fuming in a Waelz kiln. MRT and ZincOx are negotiating with a third party for the use of a nearby Waelz kiln and associated bagging facilities, which, after refurbishment, could be used for fuming and production of a high grade calcine.

As well as the resource potential of Las Damas and fuming potential outlined above, there is the opportunity of commencing early production and generating cash flow for a very low capital outlay by sale of the HMS concentrate to local smelters, with whom positive discussions have been held.

A small drilling programme, funded by MRT, is planned to confirm the geological model for the Esperanza prospect.

Yanbu

The Yanbu zinc plant, to be located at an industrial park on the Red Sea coast of Saudi Arabia, is based on the concept of building the world's most flexible and lowest cost smelter.

Zinc production is power intensive, but at Yanbu power will be low cost since it will be generated as a by-product from the production of sulphuric acid, which is used in the process, and from gas, which is available at a concessionary price. Yanbu has the further advantage of excellent infrastructure, under-utilised port facilities, and relatively cheap and plentiful water.

The Yanbu process flowsheet will use proven zinc technology in a new configuration that enables very impure, and therefore low cost, feed material to be treated without the extra costs associated with the processing of this type of material in a conventional smelter.

The combination of low feed cost and low processing cost should allow Yanbu to enjoy one of the lowest operating costs in the industry.

Our plans for this plant have been waiting preliminary site allocation from the management of the industrial park, which was received in March 2003, and conclusion of negotiations with a local partner.

In December 2002, the Yanbu zinc plant project received approval from the British Offset committee. British Offset is a joint Saudi-British government and BAE Systems organisation that aims to promote the development of new businesses in Saudi Arabia. It has the capacity to lend US$10 million by way of non-recourse debt to companies developing projects in Saudi. Such funds are designed for use as part of the equity contribution to the cost of project development. This funding would significantly increase ZincOx's returns for the Yanbu project.

Tsumeb

The Tsumeb project covers slag dumps produced as a result of lead smelting at the town of Tsumeb in Namibia. Recent drilling completed by ZincOx has confirmed that there are at least 2 million tonnes of material with a grade of about 10% zinc and 340 ppm germanium. As such it represents one of the world's largest high grade resources of germanium.

Several different fuming methods for the treatment of the slags have been reviewed by ZincOx, however at current metal prices, none of the methods investigated to date is likely to prove sufficiently economically attractive to warrant development. Further testwork on alternative pyrometallurgical technology is being considered.

ZincOx has an option to purchase a 50% interest in the slags for N$19 million, from Ongopolo Mining and Processing (OMP), the owner of the mineral rights. OMP owns and operates a copper smelter and base metal mines around Tsumeb. ZincOx is currently negotiating the extension of its option with OMP beyond August 2003, in order to continue to test further pyrometallurgical processes.

ZincOx Resources plc
Consolidated Profit and Loss Account
for the year ended 31st December 2002

		31st December 2002	31st December 2001
		£	£
Turnover		-	-
Cost of Sales		-	-
Gross Profit		-	-
Exploration Costs		(630,423)	(100,000)
Administrative Expenses		(439,713)	(586,575)
Operating Loss		(1,070,136)	(686,575)
Exceptional item			
Loss on disposal of subsidiary		(61,329)	-
Loss on Ordinary Activities before Interest		(1,131,465)	(686,575)
Net Interest receivable and Similar income		49,115	11,728
Loss on Ordinary Activities before Tax		(1,082,350)	(674,847)
Taxation		-	-
Loss for the year taken to Reserves		(1,082,350)	(674,847)
Loss per ordinary share (pence)	Basic	(0.06)p.	(0.05)p.

All operations are continuing.

ZincOx Resources plc
Consolidated Balance Sheet
as at 31st December 2002

	31st December 2002	31st December 2001
	£	£
FIXED ASSETS		
Intangible Assets	4,518,576	1,985,860
Negative Goodwill	(1,643,466)	-
Tangible Assets	34,339	31,627
Investments	1,703,104	176,850
	4,612,553	2,194,337
CURRENT ASSETS		
Debtors	117,879	96,251
Cash at Bank and in Hand	305,669	2,397,605
	423,548	2,493,856
Creditors – amounts falling due within one year	(259,742)	(159,322)
NET CURRENT ASSETS	163,806	2,334,534
NET ASSETS	4,776,359	4,528,871
CAPITAL AND RESERVES		
Called up Share Capital	4,909,081	4,098,526
Share Premium	4,378,989	3,750,545
Other Reserves	(1,005,512)	(896,183)
Profit and Loss Account	(3,506,367)	(2,424,017)
EQUITY SHAREHOLDERS' FUNDS	4,776,191	4,528,871
Minority Interest - equity	168	-
TOTAL CAPITAL & RESERVES	4,776,359	4,528,871

ZincOx Resources plc
Consolidated Cash Flow Statement
for the year ended 31st December 2002

	31st December 2002	31st December 2001
	£	£
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	(498,927)	(686,186)
RETURNS ON INVESTMENTS AND SERVICING ON FINANCE		
Interest received	49,115	11,728
Net Cash Inflow from Returns on Investments and Servicing of Finance	49,115	11,728
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		
Purchase of Intangible Fixed Assets	(1,546,987)	(638,893)
Purchase of Tangible Fixed Assets	(12,032)	(2,681)
Purchase of investments	(74,934)	-
Net cash outflow from Capital Expenditure and Financial Investment	(1,633,953)	(641,574)
ACQUISITION AND DISPOSALS		
Acquisition of Subsidiary	(32,171)	-
Net cash outflow from Acquisitions	(32,171)	-
MANAGEMENT OF LIQUID RESOURCES		
Purchase/(Sale) of Short Term Deposits	2,160,000	(2,085,000)
Net Cash (Outflow)/Inflow from management of Liquid Resources	2,160,000	(2,085,000)
FINANCING		
Issue of Shares	24,000	3,982,717
Expenses paid in connection with share issue	-	(616,221)
Net cash inflow from financing	24,000	3,366,496
DECREASE /(INCREASE) IN CASH	68,064	(34,536)

ZincOx Resources plc

Consolidated Statement of Total Recognised Gains And Losses
for the year ended 31st December 2002

	31st December 2002	31st December 2001
	£	£
Loss for the period taken to reserves	(1,082,350)	(674,847)
Currency Translation Differences	(109,329)	18,528
Total Recognised Gains and Losses for the Year	(1,191,679)	(656,319)

Reconciliation of Movements in Consolidated Shareholders' Funds
for the year ended 31st December 2002

	31st December 2002	31st December 2001
	£	£
Loss for the Period	(1,082,350)	(674,847)
Other Recognised Gains	(109,329)	18,528
New Share Capital and Related Share Premium	1,438,999	3,366,496
Net Movement in Shareholders' Funds	247,320	2,710,177
Opening Shareholders' Funds	4,528,871	1,818,694
Closing Shareholders' Funds	4,776,191	4,528,871

Notes:

1. **Preparation of the preliminary financial statements**

The preliminary financial statements have been prepared on the basis of the accounting policies set out in the statutory accounts of the Group for the year ended 31 December 2002. The preliminary financial statements which have been approved by the directors, have been audited but have not yet been signed.

Comparative figures for the year ended 31 December 2001 are an abridged version of the Group's full accounts which carry an unqualified audit report and have been delivered to the Registrar of Companies.

2. **Loss per Share**

	Loss	Weighted average number of shares	Per share amount pence
2002			
Basic loss per share			
Loss attributable to ordinary shareholders	(1,082,350)	17,107,083	(0.06)
2001			
Basic loss per share			
Loss attributable to ordinary shareholders	(674,847)	13,555,110	(0.05)

There is no dilutive effect of share options on the basic loss per share

3. **<u>Net Cash Flow From Operating Activities</u>**

	31st December 2002 £	31st December 2001 £
Operating Loss – before interest received	(1,131,465)	(686,575)
Depreciation	12,894	15,794
Deferred Exploration costs written-off	695,260	100,000
Losses/(Gains) on foreign exchange translations	(109,329)	18,528
Increase in Debtors	(21,628)	(43,104)
(Decrease)/Increase in Creditors	55,341	(90,829)
Net Cash outflow from operating activities	(498,927)	(686,186)

Reconciliation of Net Cash Flow to Movement in Funds

	31st December 2002 £	31st December 2001 £
Increase in cash in the year	68,064	(34,536)
Cash inflow/outflow from reduction/increase in liquid resources	(2,160,000)	2,085,000
Change in net funds resulting from cash flow	(2,091,936)	2,050,464
Movement in net funds in the period	(2,091,936)	2,050,464
Opening net funds	2,397,605	347,141
Closing Net Funds	305,669	2,397,605

Analysis of changes in net Funds

	At 1st January 2002 £	Cashflow £	Purchase of short term deposits £	At 31st December 2002 £
Cash in hand & at bank	37,605	68,064	-	105,669
Short term deposits	2,360,000	-	(2,160,000)	200,000
	2,397,605	68,064	(2,160,000)	305,669

4. Preliminary statement

Copies of this preliminary statement will be sent to shareholders in due course and will be available from the company at 7 Tanners Yard, London Road, Bagshot, Surrey GU19 5HD and Charles Stanley & Company Limited at 25 Luke Street, London, EC2A 4AR for a period of 14 days from the date of this announcement.