

Gold, copper and silver production in Azerbaijan



Mining capital conference – 3 May 2018

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Company overview



- ▶ Established gold, copper and silver producer in Azerbaijan
 - ▶ Listed on AIM since 2005 – first gold production 2009
 - ▶ Experienced board and strong management
 - ▶ Main site is Gedabek – three mines and processing facilities
 - ▶ Growing production: 71,461 gold equivalent ounces produced in 2017 and target of 78,000 - 84,000 GEOs in 2018
 - ▶ Low cost – all in sustaining cost of gold of \$564 per oz. (H1 2017)
 - ▶ Pipeline of exploration prospects and potential for numerous future mines
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Market information and investors

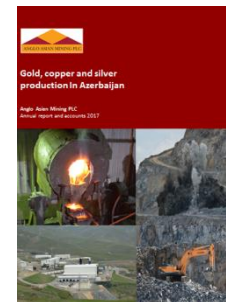
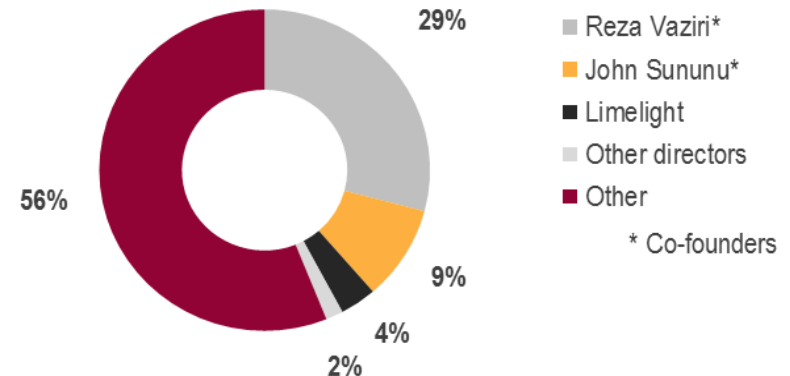


Market	AIM
Ticker	AAZ
Share Price	41.5p
Shares in Issue	113,761,024
Market Cap	£47.21m
Nominated Adviser	SP Angel Corporate Finance
Broker	SP Angel Corporate Finance

Recent share price performance



Shareholders of the company



Annual results to 31 December 2017 to be announced before 29 June 2018

Directors and senior management



Khosrow Zamani *

Non-executive chairman

- Former director Southern Europe and Central Asia of the International Finance Corporation ("IFC")
- Oversaw the IFC portfolio of more than US\$2 billion, diversified across the financial, oil and gas, mining

Reza Vaziri*

President and CEO

- Head of the foreign relations office at the ministry of the Imperial Court of Iran before moving to the US in 1980
- Initial founder of the US Azerbaijan Chamber of Commerce and has been appointed chairman for life

Richard Round*

Non-executive director

- Over 25 years of finance and industry experience
- Held a number of executive finance director roles in various public and private natural resource groups

Professor John Monhemius*

Non-executive director

- Over 40 years experience in hydrometallurgy and environmental control in mining and metallurgical processes. Acted as a consultant to large mining and chemical companies

***Member of the board**

Governor John Sununu*

Non-executive director

- Two terms Governor of New Hampshire, USA
- Chief of staff to President George H.W. Bush
- Former partner in Trinity International Partners and currently President of JHS Associates, Ltd

Bill Morgan

Chief financial officer

- UK chartered accountant over 30 years
- Regional CFO Kinross - Russia Region, CFO Hambledon Mining plc and Bakyrchik Gold plc

Farhang Hedjazi

Vice president, technical services

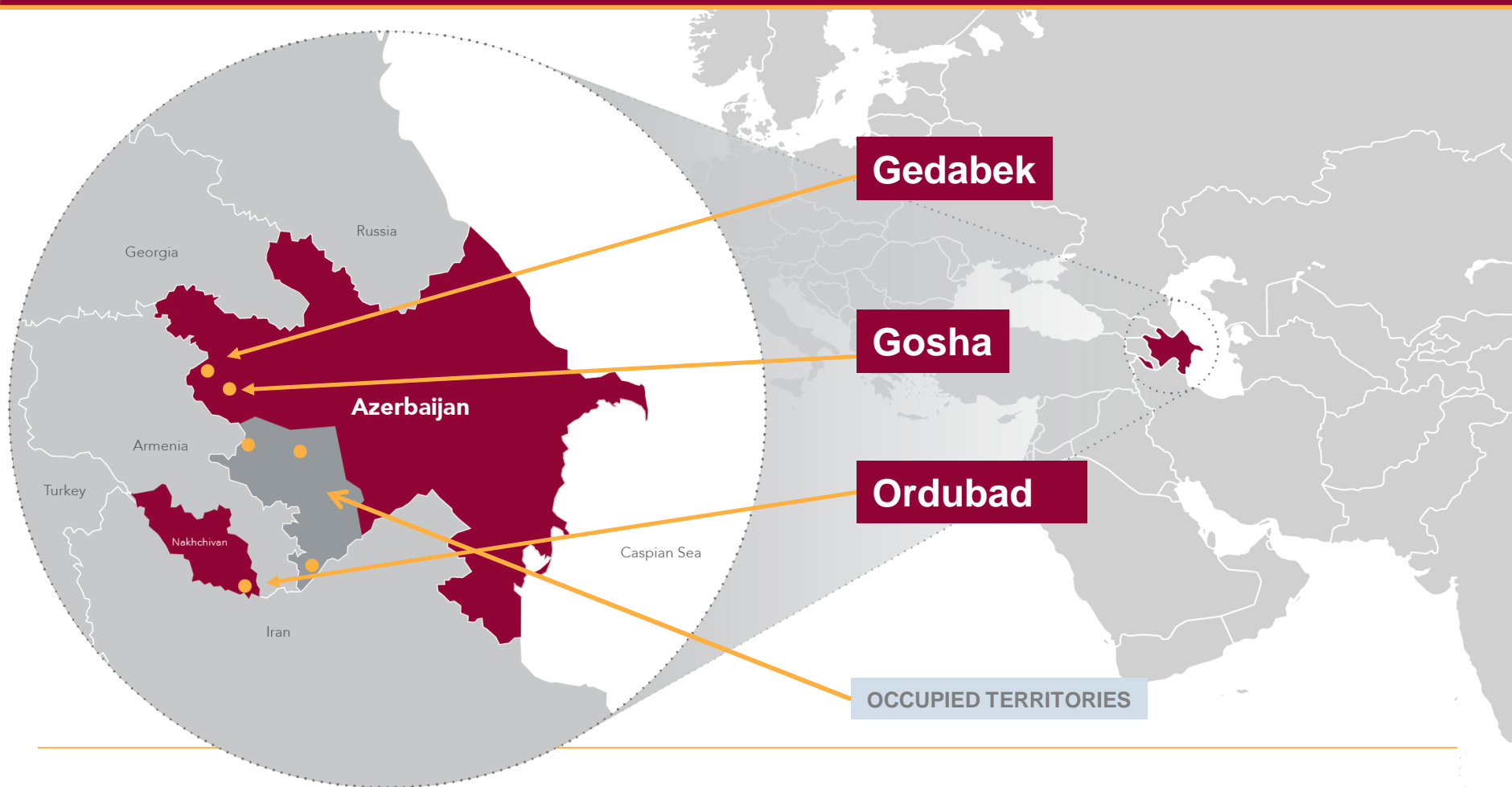
- Worked in the field since 1985 and constructed process plants including zinc smelters, CIL plants, gold heap leach facilities and managed underground mines
- M SC. In non-ferrous extractive metallurgy

Stephen Westhead

Director of geology and mining

- A Chartered Geologist with over 25 years of experience having worked in India, CIS, Eastern Europe and Russia
- Project management expertise from exploration, construction and production
- PhD in structural controls on mineralisation, a MSc in Mineral Exploration and Mining Geology and a BSc in Applied Geology

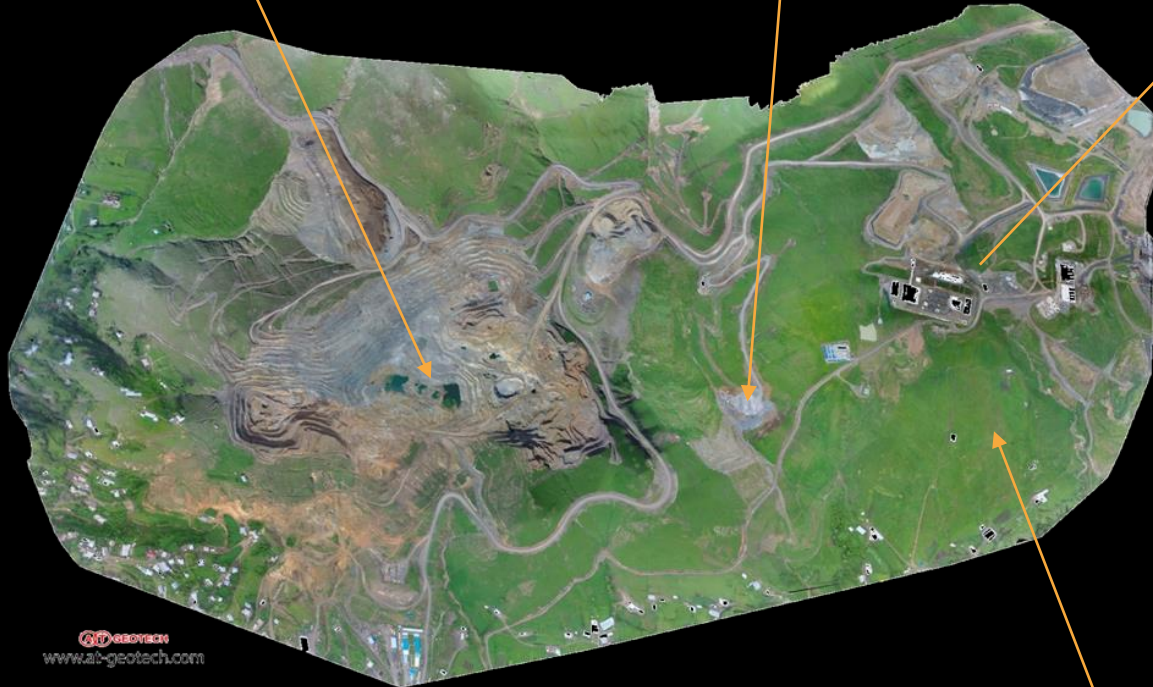
Mining concessions in Azerbaijan



GEDABEK AND GOSHA

Gedabek
open pit

Gadir
underground
mine



Ugur open pit



4.5 kilometres by road



Gosha – 50 kilometres
by road from Gedabek



Processing
facilities

 **AIG GEOTECH**
www.aig-geotech.com



Anglo Asian Mining plc

Gedabek main open pit mine



- Producing since 2009
- 2017 - 712,444 tonnes mined at an average grade of 1.18 g/t of gold
- 2017 and 2018 - extensive development underway
- Objective to enhance current resource and reserves to prolong mine life



Gadir and below main open pit underground mines



- Producing since 2015
- 2017 - 80,614 tonnes mined at an average grade of 3.56 g/t of gold
- Significant expansion potential and objective to establish a considerable JORC resource
- 2018 - 7,500 metres of core surface drilling planned for both Gadir and between Gadir and Gedabek open pit



New Ugur open pit mine



- Discovered in Oct 2016 – production commenced in Sep 2017
- 2017 - 238,818 tonnes mined at an average grade of 3.20 g/t gold
- ~ 6,000 ounces of gold produced per month last 4 months of 2017
- JORC Total Mineral Resource of 199,000 ounces gold and 1,049,000 ounces of silver



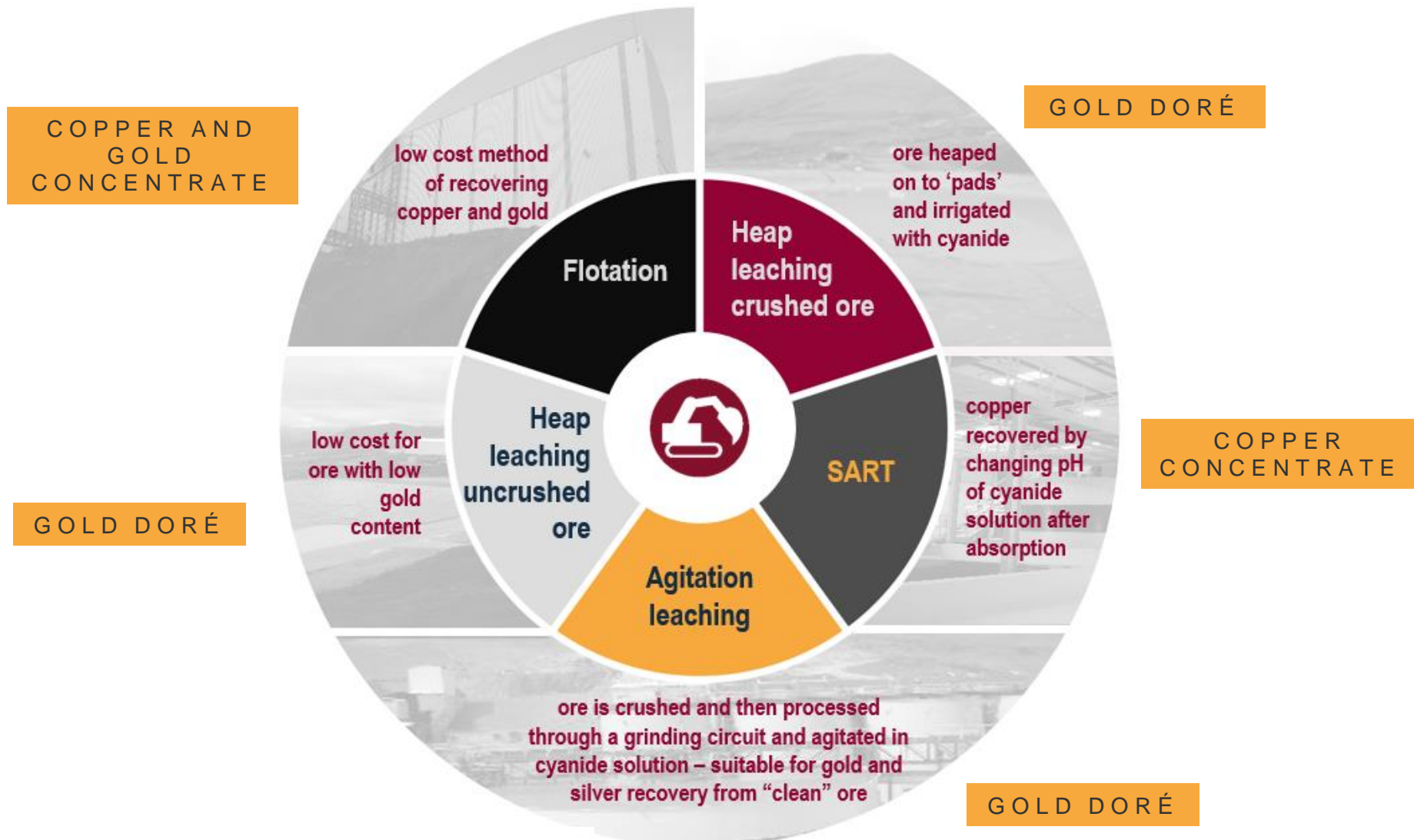
Ugur – JORC resources and reserves



Mineral Resources	Tonnage (millions)	Gold Grade (g/t)	Silver Grade (g/t)	Gold (ounces)	Silver (ounces)
Measured	4.12	1.2	6.3	164,000	841,000
Indicated	0.34	0.8	3.9	8,000	44,000
Measured and Indicated	4.46	1.2	6.2	172,000	884,000
Inferred	2.50	0.3	2.1	27,000	165,000
Total	6.96	0.9	4.7	199,000	1,049,000

Mineral Reserves	Tonnage (millions)	Gold Grade (g/t)	Silver Grade (g/t)	Gold (ounces)	Silver (ounces)
Proved	3.37	1.3	7.2	142,000	779,000
Probable	0.22	0.8	4.1	5,000	29,000
Proved and probable	3.59	1.3	7.0	147,000	808,000

Processing and production



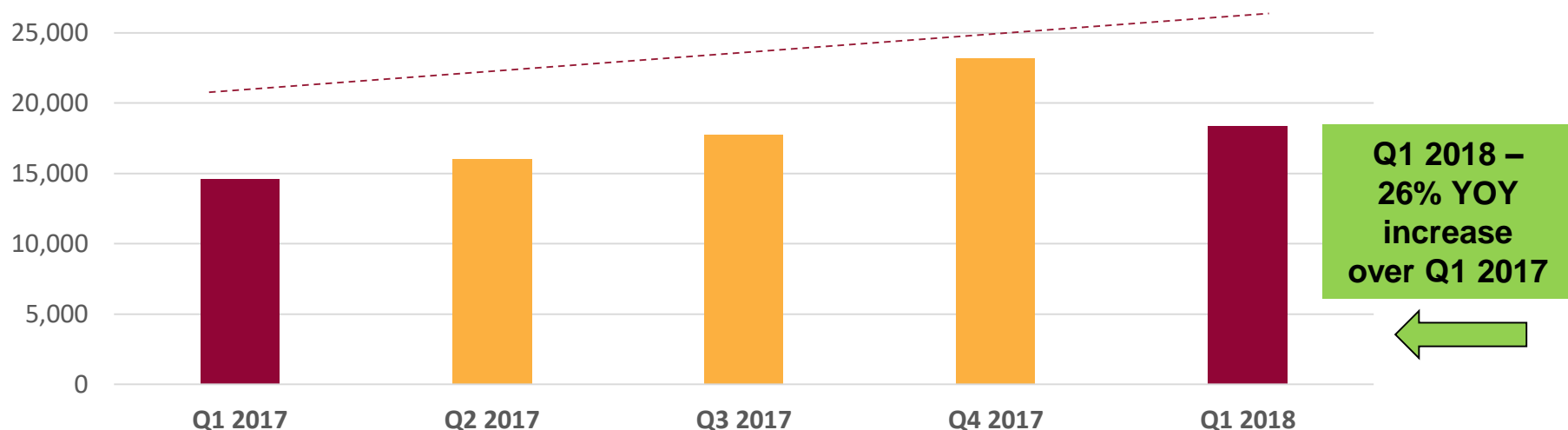
Recent investments at Gedabek



Production and sales in FY 2017 and Q1 2018



Production in gold equivalent ounces for Q1 2017 to Q1 2018



Production and sales for FY 2017 and Q1 2018

Gold and silver production and sales - doré					Copper and gold production and sales - concentrate			
	Gold (oz)	Silver (oz)	Gold sold (oz)	Price (av.) \$	Concentrate (t)	Copper produced (t)	Gold produced (oz)	Concentrate sales (t)
FY 2017	52,534	22,728	43,496	1,265	9,330	1,991	7,083	16,658
Q1 2018	15,738	7,109	14,956	1,328	1,042	225	741	1,715

Production sharing agreement with Government of Azerbaijan



- Physical production shared with the Government who take delivery of gold
- Government entitled to 51 per cent. of “Profit Production”

Profit Production



Value of production less all operating and capital cash costs incurred when production took place

- Minimum Profit Production of 25 per cent. of the value of production

Profit Production of 25 per cent.



Government receives 12.75 per cent. (51 x 25 per cent.)

- Unrecovered costs c/fwd indefinitely for off-set against future production

Company currently subject to minimum Profit Production (12.75 per cent. production share) which is expected to continue to at least 2023

Financial performance



**Net debt reduced by \$25m (+71%) from \$35m at
1 January 2017 to \$10m at 31 March 2018**

\$000 (except AISC)	H1 2017 (to 30 June 2017)	H1 2016 (to 30 June 2016)	FY 2016 (to 31 December 2016)
Revenue	29,838	39,323	79,184
Gross profit	3,910	9,363	16,414
Operating profit	606	6,034	11,714
(Loss) / profit before tax	(1,324)	3,488	6,779
Cash generated from operations	10,785	16,915	29,579
Capital expenditure	3,404	6,576	10,679
All in sustaining costs (AISC)* \$/oz	564	703	616

FY 2018 Production target



**78,000 to 84,000
Gold equivalent
ounces**



**+16 per cent.
increase
over 2017**

Metal	FY 2016 (Actual)	FY 2017 (Actual)	FY 2018 (Target)
Copper (tonnes)	1,941	1,991	2,100 – 2,300
Silver (ounces)	165,131	172,853	-
Gold (ounces)	65,394	59,617	64,000 – 70,000

Exploration programme in 2018



- ▶ 2018 - first year of a three-year rolling programme of geological exploration of near mine, brownfield and greenfield areas
 - ▶ A total of around 43,500 metres of surface and underground drilling is planned
 - ▶ Airborne geophysics programme planned for the entire Gedabek contract area
 - ▶ Expected cost of programme in 2018 to be approximately \$6 million which will be funded from internal cash flow
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Why invest in Anglo Asian



**Anglo Asian
is building
a long-term
sustainable
mining
business**

- ▶ **ESTABLISHED** – produced first gold May 2009
- ▶ **EXPERIENCED** – highly qualified team with decades in the industry – directors own 40 per cent. of the Company fully aligning them with shareholders
- ▶ **FIRST MOVER ADVANTAGE** – only listed miner in Azerbaijan
- ▶ **CASH GENERATIVE** – highly cash generative with fast reducing debt (47 per cent. reduction in 2017)
- ▶ **FAST TRACK ABILITY** – Ugur mine brought into production in one year from discovery
- ▶ **EXPLORATION POTENTIAL** – several high-grade targets under investigation





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