

# ANGLO ASIAN MINING PLC

Gold, copper and silver  
production in Azerbaijan

AIM: AAZ



# Disclaimer

The information in this document is subject to updating, revision and amendment. This document neither constitutes nor forms nor should be constructed as constituting or forming part of any offer or invitation to sell or any solicitation of any offer to purchase or to subscribe for any securities in Anglo Asian Mining PLC (“Anglo Asian Mining”) or any other body corporate or an invitation or inducement to engage in investment activity under section 21 of the UK Financial Services and Markets Act 2000 nor shall it or any part of it form the basis of or be relied on in connection with any contract therefore. This document does not constitute an invitation to effect any transaction with Anglo Asian Mining nor to make use of any services provided by Anglo Asian Mining. No reliance may be placed for any purpose whatsoever on the information contained in this document nor on assumptions made as to its completeness. No representation or warranty, express or implied, is given by Anglo Asian Mining, any of its subsidiaries or any of its respective advisers, officers, employees or agents, as to the accuracy, fairness or completeness of the information or opinions contained in this document or expressed in the presentation and, no liability is accepted for any such information or opinions (which should not be relied upon) or for any loss howsoever arising, directly or indirectly, from any use of this document or its contents or information expressed in the presentation.

The information and opinions contained in this document and the presentation are provided as the date of this document and the presentation and are subject to change without notice.

This presentation contains forward-looking statements that are based on Anglo Asian Mining's current expectations and estimates. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that could cause actual events or results to differ materially from estimated or anticipated events or results implied or expressed in such forward-looking statements. Factors that could cause such difference include changes in world commodities and equity markets, political developments in Azerbaijan, changes to regulations affecting Anglo Asian Mining's activities and other risks involved in the mining industry. Any forward-looking statement speaks only as of the date on which it is made and Anglo Asian Mining disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise. Forward-looking statements are not guarantees of future performance and, accordingly, undue reliance should not be put on such statements due to the inherent uncertainty therein.

This presentation has been prepared in compliance with English law and English courts will have exclusive jurisdiction over any disputes arising from or connected with this presentation.

The information on reserves and resources included in this presentation has been extracted from RNS announcements dated 14 March 2019 (“Gedabek Open Pit – JORC Mineral Resources and Reserves”), 14 March 2019 (“Maiden JORC Mineral Resources and Ore Reserves for the producing Gadir Underground Mine”) and 2 October 2017 (“Completion of Ugur JORC Resource”).

# Company Overview

Leading gold, copper and silver producer with a portfolio of assets in Azerbaijan...



## Stable Production

Gold, copper and silver production from multiple mines  
Variety of processing methods employed  
Combined life of mine to at least 2024



## Strong Financials

Profitable  
Lowest quartile AISC  
Excellent cash generation with net cash  
Dividend paying



## Growth Strategy

Over 1,000 kilometres of land under concession  
Second year of exploration programme - many prospective targets  
Actively looking outside of Azerbaijan



## Well Positioned

First mover advantage in Azerbaijan  
Excellent relationship with the Government in a stable jurisdiction  
Experienced Board and strong management team

# H1 2019 Performance

An 8 per cent year-on-year increase in revenues compared to H1 2018...

## H1 2019 Production

**39,905 GEOs**

H1 2018: 37,349 GEOs

## H1 2019 Revenue

**\$43.3 million**

H1 2018: \$40.0 million

## 30 June 2019 Net Cash Position

**\$15.2 million**

31 Dec 2018: \$6.1 million

## H1 2019 Profit After Tax

**\$6.6 million**

H1 2018: \$5.1 million

## H1 2019 All-in Sustaining Cost

**\$603 per ounce**

H1 2018: \$543 per ounce

## FY 2019 Interim Dividend

**\$3.5 cents per share**

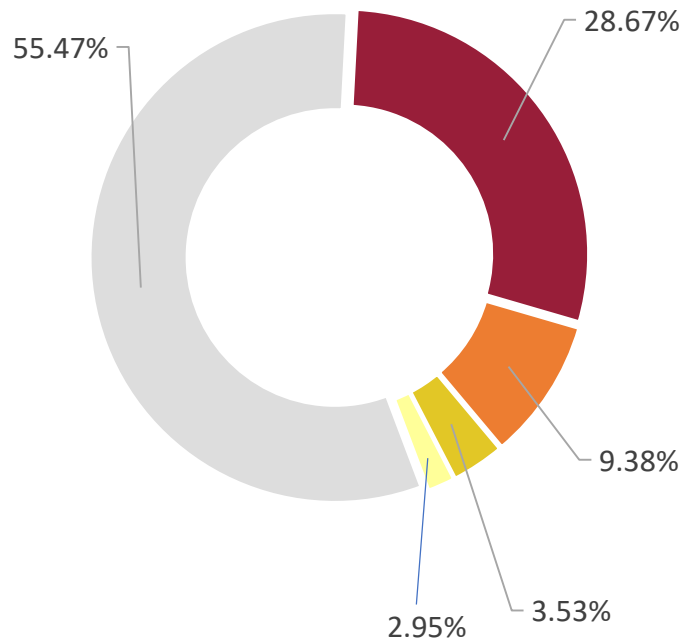
FY 2018: \$3.0 cents per share



# Corporate Overview

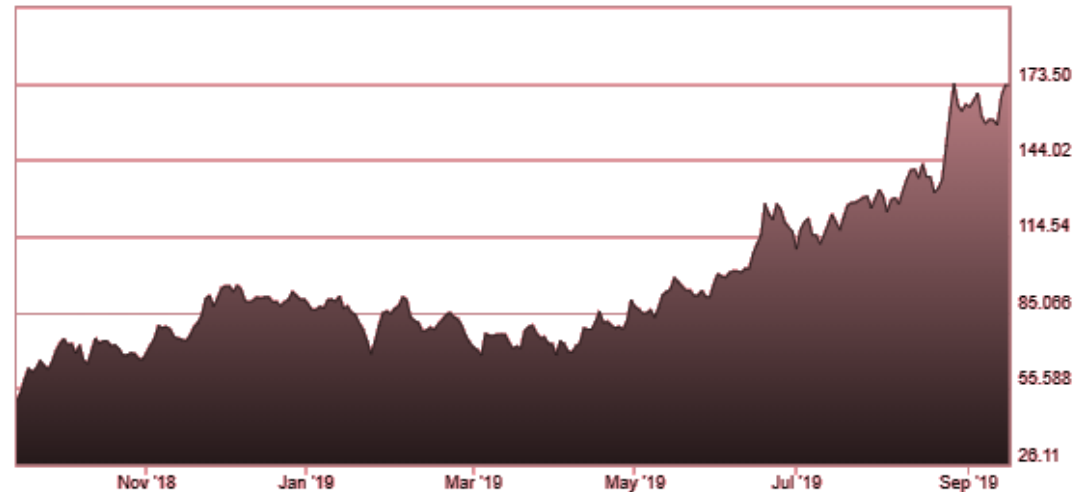
Value delivered highlighted by strong share price growth...

## Major Shareholders



- Reza Vaziri
- Governor John Sununu
- Limelight Industrial Developments
- Other Directors & Management
- Others

## Share Price



**AIM Market**

**AAZ**

**Ordinary shares in issue**

**114,392,024**

**Share Price\***

**172.8p**

**Market Cap.\***

**£197.67 million**

\*as of 17/09/19

# Board of Directors & Senior Management



Experienced Board and management team with good relationships in Azerbaijan...

**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

**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

**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
- Prominent local businessman in Azerbaijan

**Bill Morgan**  
**Chief Financial Officer**

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

**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

**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

**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

**Stephen Westhead**  
**Director of Geology and Mining**

- A Chartered Geologist with over 30 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

# Our Portfolio in Azerbaijan

A highly cash generative gold, silver and copper producer...

## Gosha Contract Area

### Gosha Underground Mine

Located 50 kilometres from the  
Gedabek contract area

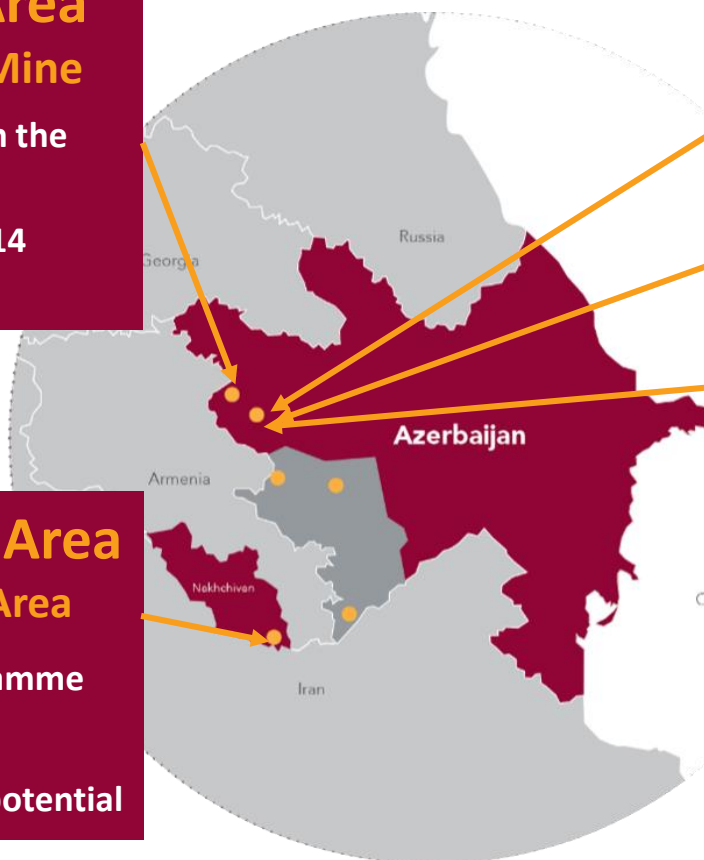
Producing gold since 2014

## Ordubad Contract Area

### Ordubad Exploration Area

Ordubad Exploration Programme  
underway

Prospective region with high potential



## Gedabek Contract Area

### Gedabek Open Pit

Producing gold, silver and copper  
since 2009

### Gadir Underground Mine

Producing gold since 2015

### Ugur Open Pit

Fast-tracked in one year into gold and  
silver production in September 2017

### Processing facilities

The Group processing facilities are all  
centrally located at the Gedabek site  
close to an excellent road and power  
from the national grid

# Gedabek & Gosha - Four Mines

A diversified portfolio of open pit and underground mines...

## Gedabek Open Pit

- H1 2019: 817,649 tonnes mined - 0.72 grammes per tonne gold
- JORC total resource of over one million ounces of gold and 95,000 tonnes of copper\*



## Gadir Underground Mine

- H1 2019: 89,922 tonnes mined – 2.70 grammes per tonne
- JORC mineral resource of over 172,000 ounces of gold and 1,300 tonnes of copper\*
- Over 8 kms of underground development



## Ugur Open Pit

- H1 2019: 558,249 tonnes mined grading 1.53 grammes per tonne gold
- JORC ore reserves of 147,000 ounces of gold\*
- Part free digging with exceptional processing properties



## Gosha Underground Mine

- 50 kms from Gedabek
- No mining in H1 2019
- Non JORC resource of around 140,000 tonnes of ore grading 9 grammes per tonne



\* The detailed JORC mineral resources and ore reserves for the Gedabek Open Pit, Ugur Open Pit and Gadir underground mines are set out in appendices 1&2, 3 and 4 respectively.



# Processing Facilities at Gedabek

Variety of adaptable processing facilities gives the Group flexibility...

## Variety of processing carried out at Gedabek

- **Heap leaching** - both crushed ore and Run of Mine (“ROM”) for low grade ore
- **SART processing** - to recover copper and silver from cyanide solution after gold recovery from leaching
- **Agitation leaching** – similar to CIL processing but uses resin for gold absorption
- **Flotation plant added in 2015** - operates independently since installation of its own crusher circuit in June 2018

## Company produces two products for export

- **Gold doré** from heap and agitation leaching
- **Copper concentrate** from SART and Flotation



# Tailings Dam Facility

## Downstream construction to a high specification from hard rock...

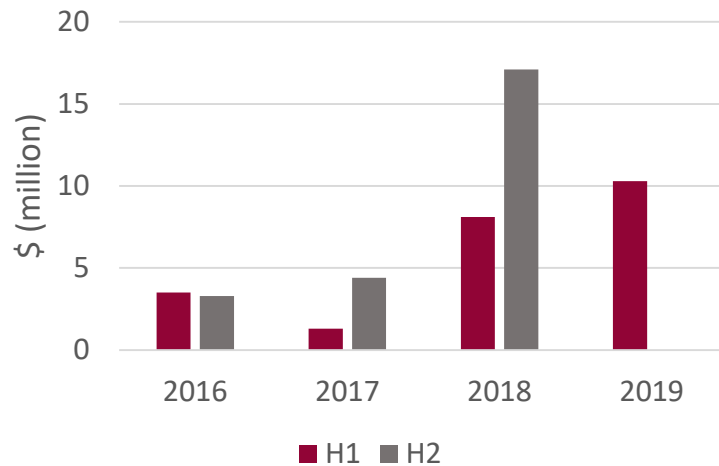
- Constructed to the highest specification from hard rock
- Downstream construction and lined with geomembrane
- Maintenance and supervision by one company since construction
- Inspected by Knight Piésold Limited – leading environmental engineers - in June 2019 with their initial observations as follows:
  - the tailings dam has been properly constructed
  - it showed no visible signs of instability
  - seepage is properly controlled
- Various minor recommendations such as moving the position of the tailings discharge pipes to better spread sediment have been carried out



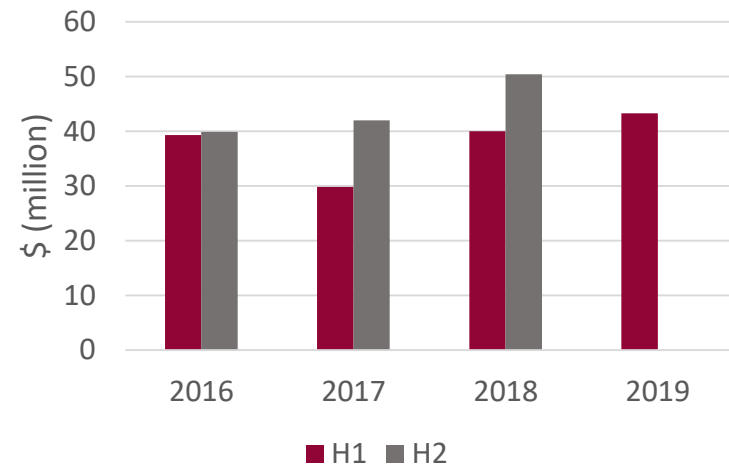
# Financial Summary

Strong financial performance and dividend paying...

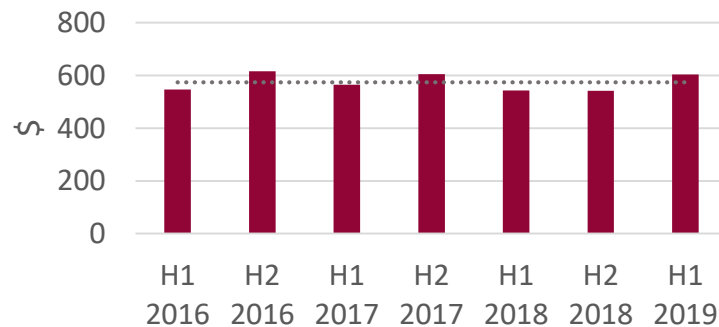
Profit Before Tax



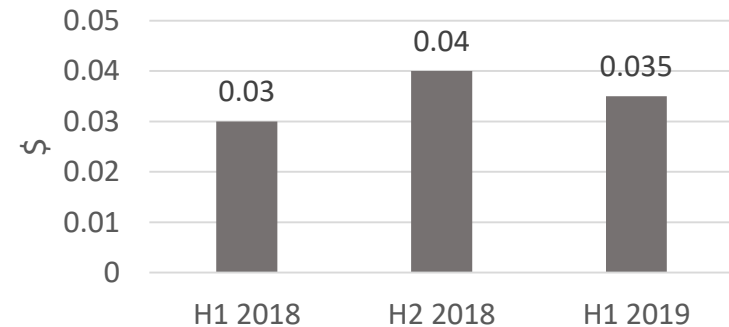
Revenue



All-in Sustaining Costs



Dividend



# Operational Performance

## Consistently stable and reliable production...

- Production guidance maintained at 82,000 to 86,000 GEOs calculated using 1 January 2019 copper and gold prices
- Forecast gold production increased to 70,000 to 72,000 ounces (from 65,000 to 67,500 ounces) with lower copper production
- Increased gold price and decreased copper price in the year have resulted in one tonne of copper decreasing in value from 4.7 to 3.8 GEOs - a shortfall of around 1,800 to 2,000 GEOs which will result in actual outcome at bottom end of guidance

Metal	FY 2019 Forecast	FY 2018	FY 2017	FY 2016
Gold (ounces)	70,000-72,000	72,798	59,617	65,394
Copper (tonnes)	2,000-2,200	1,645	1,991	1,941
Silver (ounces)*	-	210,184	172,853	165,131

\* Group does not give guidance on silver production as not material to total gold equivalent ounce production

# Growth Strategy

Driven by exploration with ambitions for M&A outside of Azerbaijan...

## Resource Expansion

- Near mine exploration at Gedabek is revealing mineable extensions to existing mines
- Possible underground mine below the Gedabek open pit
- Mineralisation at depth discovered below the Gosha underground mine
- The company is aiming to extend the current mine life to a minimum of 10 years

## Discoveries within Contract Areas

- Over 1,000 kms of land under concession
- Second year of three year geological exploration programme underway
- Airborne geophysical survey identified 31 new drilling targets, including 6 potential porphyry
- Targets have been ranked and are now being investigated
- Gosha and Ordubad are both very prospective and under explored

## M&A outside of Contract Areas

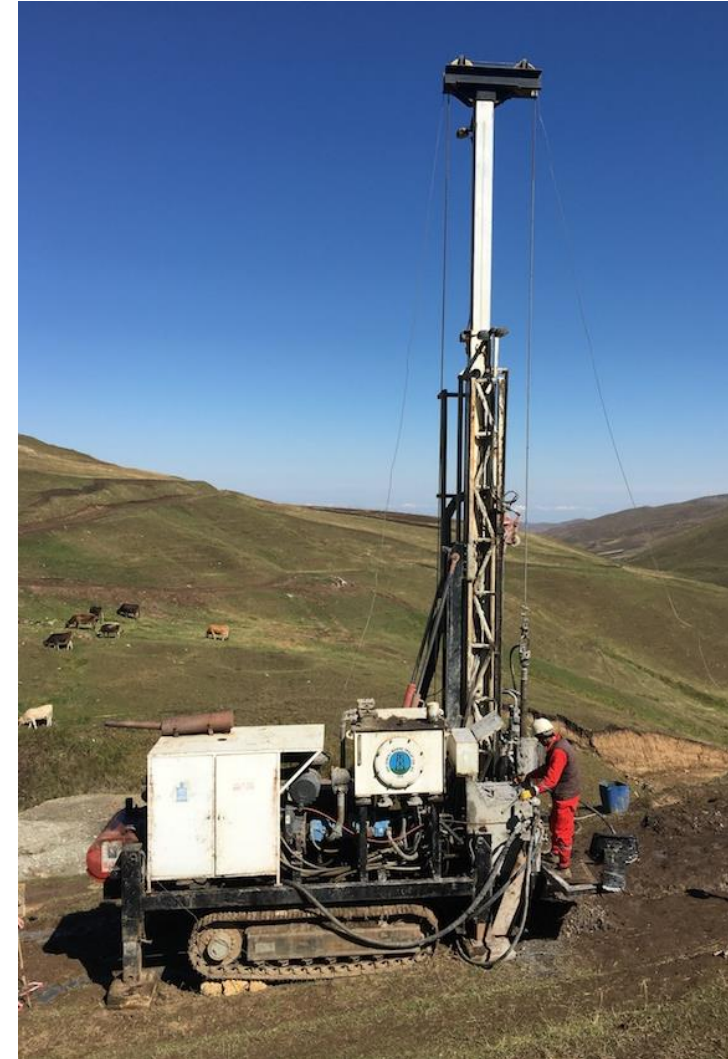
- Major copper and gold deposits, both porphyry and epithermal, are clustered nearby to Gedabek
- The Group is currently evaluating several opportunities outside Azerbaijan



# Further Development of Gedabek and Gosha

## Exploration at Gedabek...

- Significant progress made on ZTEM targets:
  - Primary ranking completed and exploration started over entire region
  - 325 outcrop samples collected at Korogly and Zehmet
    - Gold grades of up to 95.40 grammes per tonne
  - Trenching completed at Zehmet
    - Gold grades of up to 3.44 grammes per tonne and 2.09 per cent. copper
  - Outcrop sampling commenced over an additional eight shallow epithermal/porphyry targets
- Eight diamond drill-holes totalling 949 metres completed around the Gedabek open pit with gold grades of up to 11.05 grammes per tonne
- Ventilation shaft completed from the Gedabek underground tunnelling to surface
- At Gadir, a total of 101 diamond drill-holes were completed
  - Three deep surface exploration drill-holes,
  - 33 underground exploration drill-holes and
  - 65 underground drill-holes to increase stoping confidence
  - Gold grades of up to 11.09 grammes per tonne



# Further Development of Gedabek and Gosha

## Exploration at Gosha...

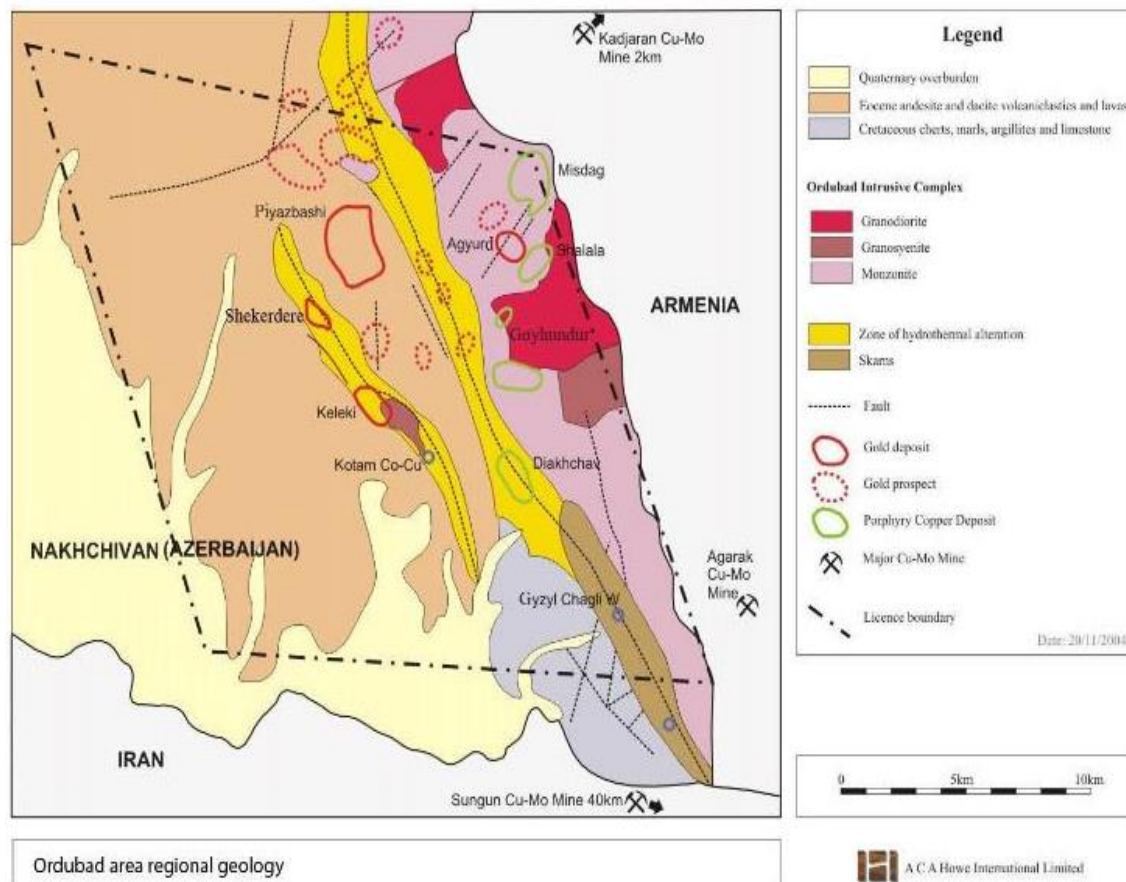
- Mineralisation at depth confirmed an area below an existing adit of the Gosha underground mine
  - 1,897 metres of diamond drilling completed with gold grades of up to 5.92 grammes per tonne
- Exploration started at a target "Khatinca" which has similar geology to the existing Gosha underground mine
- Outcrop sampling carried out at the Gosha underground mine, Asrikchay and Khatinca - encouraging gold grades (up to 7.46 grammes per tonne) and copper grades (up to 10.32 per cent.) found at Asrikchay



# Ordubad Exploration Programme

## A potential porphyry system...

- The Ordubad deposit covers an area of 462 sq. km and is located in the south east corner of the Nakhchivan Autonomous Republic of Azerbaijan
- There are currently 15 known deposits at the Ordubad site, six of which had resource estimates that were classified during the Soviet era
- AAZ has been ramping up exploration work to identify porphyry-style copper-gold mineralisation at Ordubad
  - Part of the work involves cooperation with the research institute of the UK's Natural History Museum

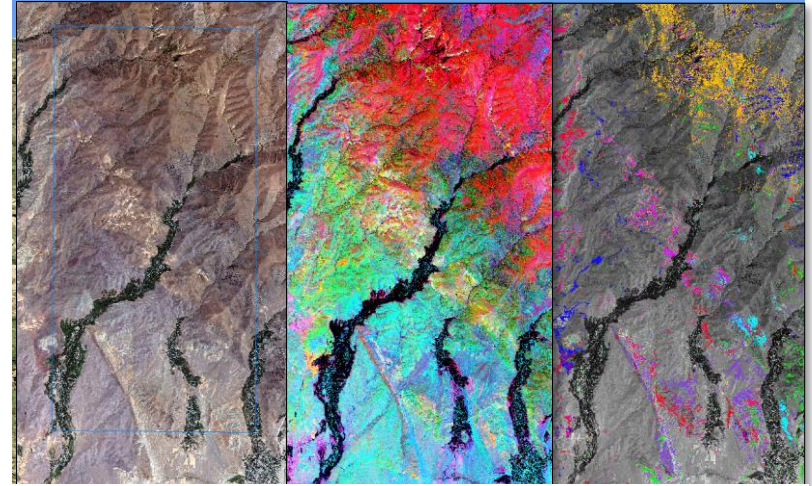




# Ordubad Exploration Programme

## And an untapped value opportunity...

- Exploration will focus on five main deposits which are within a 5 km radius
  - Shakardara
    - Gold was first discovered there during 1956-58, when Soviet geologists estimated a resource of 2.6m tonnes of ore containing 3.7g/t of gold
  - Piyazbashi
  - Agyurt
  - Dirnis
  - Diakchay
- The key aim of this exploration programme will be to assess how these deposits fit into a potentially larger system
- Drilling at Shakardara and the surrounding areas, including the deposits of Dirnis and Keleki will take place this year
  - To date highlights of the drill programme at Dirnis include one drill-hole with 3.8 per cent. copper and 47.64 grammes per tonne silver at a depth of 102 to 103 metres
- WorldView3 satellite image interpretation in parallel with the geochemical results interpretation to provide overview alteration geology for deposit targeting



WorldView3 initial area coverage and alteration signatures





# Investment Case



## **CASH GENERATIVE**

Highly cash generative  
with net cash

## **FIRST MOVER ADVANTAGE**

Only listed miner in  
Azerbaijan

## **LOW COST**

Operations in the  
lowest quartile of the  
cost curve

## **INTERIM DIVIDEND**

H1 2019 dividend of  
\$3.5 cents per share

## **FAST TRACK ABILITY**

Ugur mine brought into  
production in one year  
from discovery

## **GROWTH POTENTIAL**

H1 2019 Exploration  
programme showing  
promising results

## **EXPERIENCED TEAM**

Highly qualified team  
with strong in-country  
relationships

## **FY PRODUCTION GUIDANCE**

82,000 – 86,000 gold  
equivalent ounces



# Contacts

## Anglo Asian Mining (AIM: AAZ)

**Bill Morgan**

**Chief Financial Officer**

bill.morgan@aimc.az

T: +994 502 910 400

**Stephen Westhead**

**Director of Geology & Mining**

stephen.westhead@aimc.az

T: +994 502 916 894

## SP Angel (Broker & Nomad)

**Ewan Leggat/Soltan Tagiev**

T: +44 20 3470 0470

## Blytheweigh (Financial PR | IR)

**Camilla Horsfall/Megan Ray**

T: +44 (0) 20 7138 3204

[www.angloasianmining.com](http://www.angloasianmining.com)





# Appendices



# Appendix 1 – Gedabek Open Pit

## Resources (classified according to the JORC Code)

<b>GOLD – COPPER Mineral Resources (cut-off <math>\geq 0.3\text{g/t}</math> gold)</b>	<b>Tonnage (millions)</b>	<b>Gold Grade (g/t)</b>	<b>Copper Grade (%)</b>	<b>Silver Grade (g/t)</b>	<b>Gold (‘000 ounces)</b>	<b>Copper (‘000 tonnes)</b>	<b>Silver (‘000 ounces)</b>
<b>Measured</b>	18.0	0.9	0.2	8.3	532	38.0	4,800
<b>Indicated</b>	11.1	0.7	0.1	5.6	264	15.7	2,011
<b>Measured and Indicated</b>	<b>29.1</b>	<b>0.9</b>	<b>0.2</b>	<b>7.3</b>	<b>796</b>	<b>53.7</b>	<b>6,811</b>
<b>Inferred</b>	8.5	0.7	0.1	5.0	189	9.7	1,361
<b>Total</b>	<b>37.6</b>	<b>0.8</b>	<b>0.2</b>	<b>6.8</b>	<b>986</b>	<b>63.4</b>	<b>8,172</b>

<b>COPPER Mineral Resources (<math>&lt;0.3\text{g/t}</math> gold &amp; <math>\geq 0.3\%</math> Cu)</b>	<b>Tonnage (millions)</b>	<b>Gold Grade (g/t)</b>	<b>Copper Grade (%)</b>	<b>Silver Grade (g/t)</b>	<b>Gold (‘000 ounces)</b>	<b>Copper (‘000 tonnes)</b>	<b>Silver (‘000 ounces)</b>
<b>Measured</b>	5.3	0.1	0.5	2.1	21	26.3	356
<b>Indicated</b>	0.9	0.1	0.5	1.6	3	4.4	48
<b>Measured and Indicated</b>	<b>6.2</b>	<b>0.1</b>	<b>0.5</b>	<b>2.0</b>	<b>24</b>	<b>30.7</b>	<b>404</b>
<b>Inferred</b>	0.5	0.1	0.4	1.5	1	1.9	23
<b>Total</b>	<b>6.7</b>	<b>0.1</b>	<b>0.5</b>	<b>2.0</b>	<b>25</b>	<b>32.6</b>	<b>426</b>

# Appendix 2 – Gedabek Open Pit

## Resources (classified according to the JORC Code)

Ore Reserves	Tonnage (millions)	Gold Grade (g/t)	Copper Grade (%)	Silver Grade (g/t)	Gold ('000 ounces)	Copper ('000 tonnes)	Silver ('000 ounces)
Proved	10.9	0.9	0.3	8.8	311	31.9	3,084
Probable	1.2	0.8	0.3	9.5	32	4.1	373
Proved and probable	12.1	0.9	0.3	8.9	343	36.0	3,457

### Resources data as of April 2018

- Gold-Copper resources form upper level of open pit area
- Additional copper resource underlying Au-Cu resource where gold is <3.0 g/t
- Combined metal:
  - over 1Moz gold
  - 95,000 tonnes of copper

Resources & Reserves as reported Sept 2018

# Appendix 3 – Ugur Deposit

Resources & Reserves (classified according to the JORC Code)

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	<b>4.46</b>	<b>1.2</b>	<b>6.2</b>	<b>172,000</b>	<b>884,000</b>
Inferred	2.50	0.3	2.1	27,000	165,000
<b>Total</b>	<b>6.96</b>	<b>0.9</b>	<b>4.7</b>	<b>199,000</b>	<b>1,049,000</b>

Ore 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
<b>Proved and probable</b>	<b>3.59</b>	<b>1.3</b>	<b>7.0</b>	<b>147,000</b>	<b>808,000</b>

Resources & Reserves as of Sept 2017



# Appendix 4 – Gadir Deposit

Resources & Reserves (classified according to the JORC Code)

Mineral Resources	Tonnage ('000)	Gold Grade (g/t)	Copper Grade (%)	Silver Grade (g/t)	Gold (ounces)	Copper (tonnes)	Silver ('000 ounces)
Measured	540	3.70	0.29	17.49	64,234	1,566	303.6
Indicated	1,235	2.04	0.14	10.89	81,007	1,729	432.4
Measured and Indicated	1,775	2.54	0.21	12.90	145,241	3,295	736.1
Inferred	571	1.48	0.10	5.68	27,191	571	104.4
Total	2,347	2.29	0.19	11.14	172,432	3,866	840.4

Ore Reserves	Tonnage	Gold Grade (g/t)	Copper Grade (%)	Silver Grade (g/t)	Gold (ounces)	Copper (tonnes)	Silver (ounces)
Proved	221,730	2.81	0.24	14.13	25,336	535	100,726
Probable	575,210	2.41	0.15	10.99	44,500	852	203,156
Proved and probable	796,940	2.73	0.17	11.86	69,836	1,387	303,882

Resources & Reserves as of Sept 2018

# Appendix 5 – Production Sharing Agreement with the Azeri Government

Gold production shared with the Government which takes physical delivery of the gold

Company buys gold for the Government for physical delivery for its share of the production of concentrate and silver bullion

Government entitled to 51% of “Profit Production”

**Annual Profit Production**



**Value of production less all operating and capital cash costs incurred during the year**

Minimum Profit Production of 25% of the value of production until all costs recovered

**Profit Production of 25%**



**Government receives 12.75% (51 x 25%)**

Unrecovered capital and operating costs c/fwd indefinitely for off-set against future production. Interest costs are not allowed but cash costs include the notional financing costs of the project

Company retains 87.25% of revenue until all costs are recovered

**Company is currently subject to minimum Profit Production (12.75% production share) which is expected to continue to at least 2023 assuming ongoing investment**