



# ANGLO ASIAN MINING PLC

## Gold, copper and silver production in Azerbaijan

AIM: AAZ

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The information on reserves and resources included in this presentation has been extracted from an RNS announcement dated 2 November 2020 (“Gedabek Open Pit and Gadir Underground Mine - Revised JORC Mineral Resources and Reserves, Ugur Open Pit - Remaining Mineable Material, New Mine Life of Eight Years”) and from an RNS announcement dated 16 August 2021 (Zafar maiden JORC mineral resource completed - 8.5 million tonnes of mineralisation with average copper grade of 0.60 per cent.).

# Business Overview

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 no debt  
Dividend paying



## Growth Strategy

Well defined strategy focused on both the medium term to increase production and for longer term development



## Well Positioned

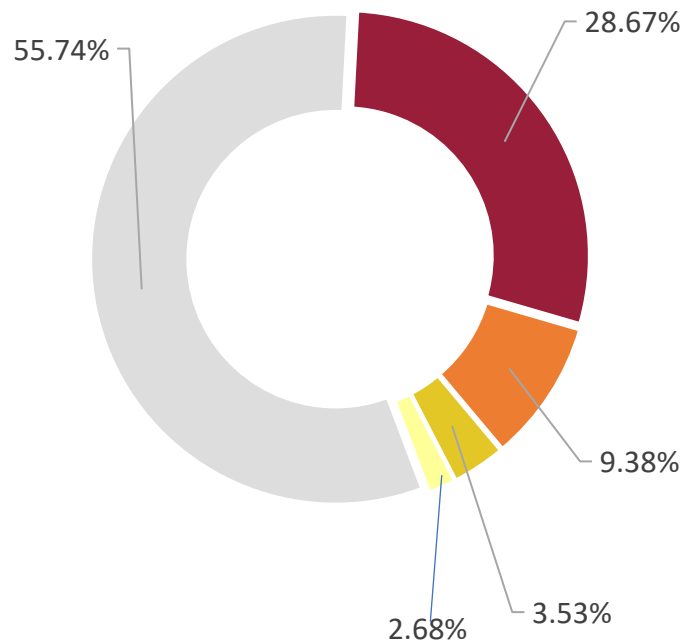
First mover advantage in Azerbaijan  
Excellent relationship with the Government  
Experienced Board and strong management team



# Corporate Overview

Listed on AIM – no recent changes in number of shares issued...

## Major Shareholders



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



**AIM Market**

**AAZ**

**Ordinary shares in issue**

**114,392,024**

**Share Price\***

**124.00**

**Market Cap**

**£142m**

There are no share options / warrants outstanding

\*Closing price 5 October 2021

# 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 40 years
- Regional CFO Kinross - Russia Region, CFO Hambledon Mining plc and Bakyrchik Gold plc
- 20 years experience in the gold mining industry in Russia / FSU

**Michael Sununu\***  
**Non-Executive Director**

- Wealth of financial and directorial experience and former board member of Optima Bank & Trust
- Founder and Manager of Sununu Enterprises LLC and Sununu Holdings LLC and consultant to energy, materials and infrastructure industries

**Farhang Hedjazi**  
**Senior 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
- MSc. 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**  
**Vice President, 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

\*Member of the Board

# Gedabek Contract Area

Producing gold, copper and silver since 2009 by a variety of methods.....



- Ore is mined from both open pit and underground mines
- Variety of processing methods employed
  - Heap leaching (crushed and ROM ore)
  - Agitation leaching
  - Flotation
  - SART
- Two main products
  - Gold doré
  - Copper concentrate
- Area is served with excellent infrastructure including metalled road access and electricity from the national power grid
- Large supply of quality local labour available
- Good safety record which is still improving with no fatalities

# H1 2021\* - Operational Update

Performance in line with expectations despite inflationary headwinds

H1 2021  
Ending Cash Position  
**\$36.6 million**  
H1 2020: \$29.2 million

H1 2021  
Production  
**32,171 GEOs\*\***  
H1 2020: 32,501 GEOs

H1 2021  
Revenue  
**\$43.5 million**  
H1 2020: \$45.8 million

- Total production for H1 2021 of 32,171 GEOs
- Easing of COVID-19 restrictions and Gedabek site now operating normally
- Five-year extension to Gedabek contract area approved
- New JORC maiden mineral resources for the Zafar deposit released
- Company remains debt free
- Recent transaction with the Government of Azerbaijan to acquire 3 new concessions and relinquish Soutely – awaiting parliamentary ratification

# Recent Transaction with the Government



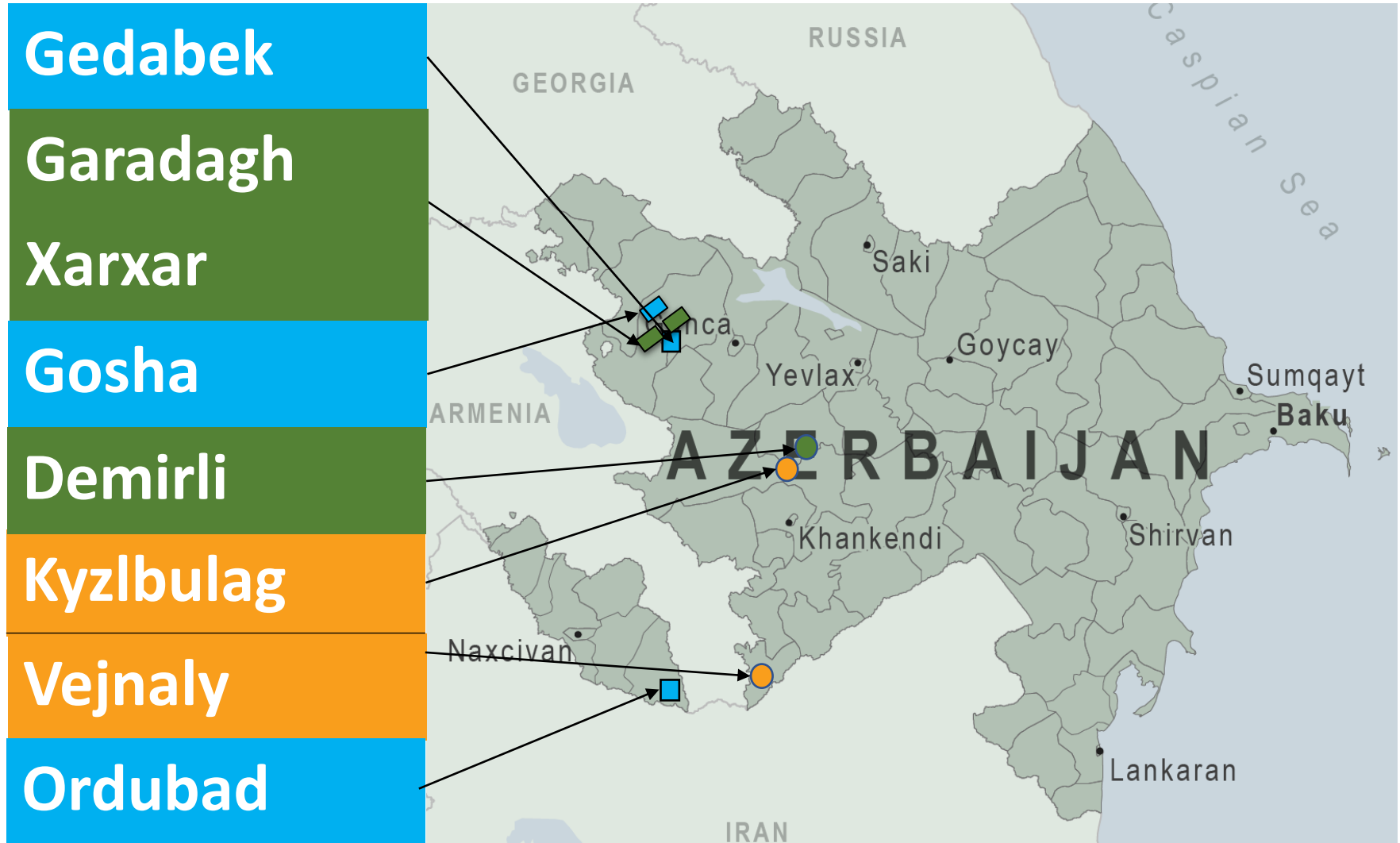
## 3 new concessions with existing mines and known deposits.....

- Transaction demonstrates the Company's long standing partnership with the Government of Azerbaijan
- Company granted 3 new contract areas following a review of its existing contract areas
- 2 new contract areas ("Garadagh" and "Xarxar") will infill 808 square kilometres of territory between the existing Gedabek and Gosha contract areas:
  - Garadagh and Xarxar together with Gedabek and Gosha will create one continuous territory of 1,408 square kilometres
  - Garadagh contains a known porphyry copper deposit with an in-situ resource of over \$3 billion of copper (over 300,000 tonnes)
  - Xarxar shows significant potential as it is likely part of the same mineral system
- 3<sup>rd</sup> new concession ("Demirli") is adjacent to the existing Kyzilbulag contract area in the Karabakh economic region
- Transaction is subject to the ratification of the Parliament of Azerbaijan
- Soutely contract area has been relinquished



# Contract Areas (after transaction)

Eight contract areas with a land area of over 2,500 square kilometers.....



Active - production &/or exploration

Recently restored

Awaiting parliamentary ratification

# Growth Strategy

The Company has several exciting opportunities to grow.....



**Anglo Asian has various opportunities to grow - both to add production in the medium term and for longer term development**

## Medium term

### Adding production

- Increase production from new discoveries at Gedabek with potential production scheduled to start in 2022
- Commence production from mines in the former occupied territories and Karabakh economic region



## Long term

### Development

- Develop recently obtained copper resources with +\$3bn in-situ copper resource
- Large amount of exploration territory including restored contract areas, Gosha and Ordubad
- Consider attractive opportunities outside of Azerbaijan

# Gedabek - Current Exploration Targets

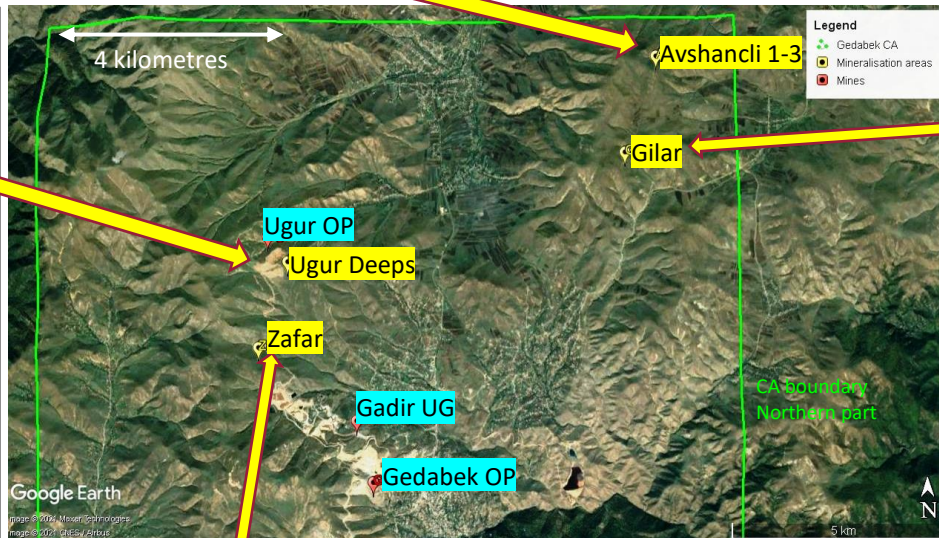
Focused on fast tracking discoveries into production...

## Avshancli

- Potential for open pit mines producing gold-rich ore for leaching and copper-rich ore for flotation with production potentially commencing in 2022

## Ugur Deeps

- Potential underground mine with portal access from the valley
- Good copper grades at depth encountered - potential production from 2023



## Gilar

- Gold in quartz on surface with underlying copper
- Further exploration is ongoing with potential production in 2023

## Zafar

- Maiden Resource Estimate for Zafar published in August 2021
- 8.47 million tonnes of mineralisation with average grades of 0.60 per cent. copper, 0.47 per cent. zinc and 0.30 grammes per tonne of gold
- Porphyry characteristics
- Production schedule to commence in 2023



# Gedabek – Zafar Maiden Resource

Focus on bringing deposit into production as soon as possible...

- Copper-gold mineral occurrence approx. 1.5 kms NW of the Gedabek processing plant
- Maiden JORC Mineral Resource published August 2021
- 8.47 million tonnes of mineralisation with average grades of 0.60 per cent. copper, 0.47 per cent. zinc and 0.30 grammes per tonne of gold
- In-situ Mineral Resource of 51,000 tonnes of copper, 82,000 ounces of gold and 40,000 tonnes of zinc
- Total drilling to date is nearly 27,000 metres of a planned 40,000 metres
- Final Mineral Resource Estimation anticipated by end-2021 / early-2022
- Ore reserves anticipated H1 2022
- Production scheduled to commence in 2023

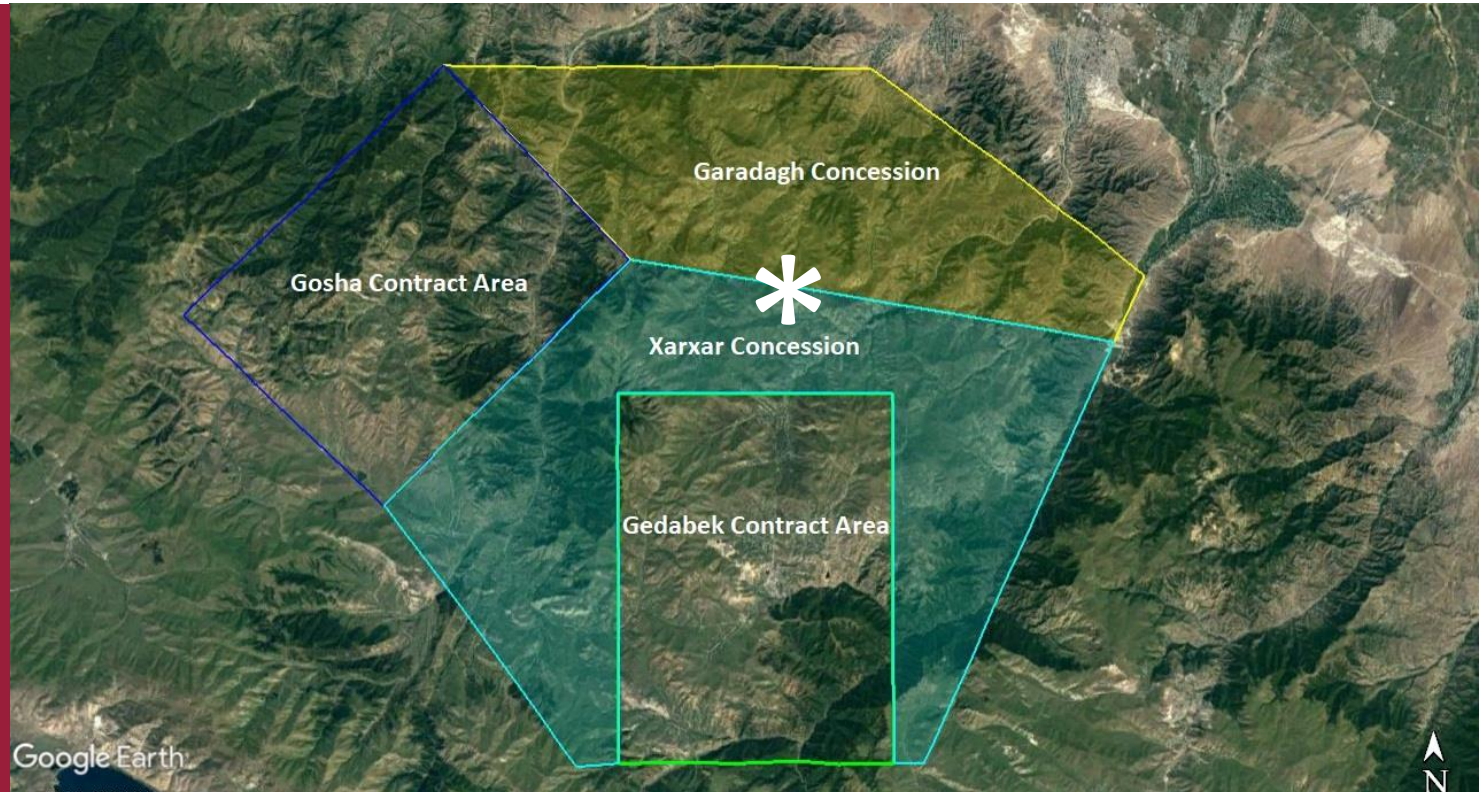




# Garadagh and Xarxar

**A major porphyry copper resource with over \$3bn of in-situ copper**

- Map of the new Garadagh and Xarxar contract areas
- These two areas together with Gosha and Gedabek create one continuous area of 1,408 square kms



**\* Soviet resources of the Garadagh deposit at 1 January 1992**

		Copper content		
		Category C1	Category C2	Total C1 and C2
Ore	Millions of tonnes	25.35	23.69	49.04
Copper content	Thousands of tonnes	168.0	150.7	318.7
Grade	Per cent.	0.65	0.64	0.64

# Kyzlbulag and Demirli (Karabakh) Vejnaly (formerly occupied territories)

**A mixture of existing mines with excellent exploration potential...**

## **Kyzlbulag – Demirli deposit**

- Deposit hosts a Cu/Mo mine – no current mining
- Report published in 2016 that the mine contains 275,000 metric tonnes of copper
- Intact plant in which the “Vallex Group” claimed to have invested US\$130 million
- Armenian Government have announced the mine contains enough reserves for 25 years
- Russian peacekeepers present – operation will commence once access is granted by the Government of Azerbaijan



*Source: Google Earth*

## **Vejnaly – Zangilan region of Azerbaijan**

- Contains the Vejnaly deposit which has been mined
- Potential for production and exploration is unknown
- How to access the region is being evaluated to determine potential for production and exploration



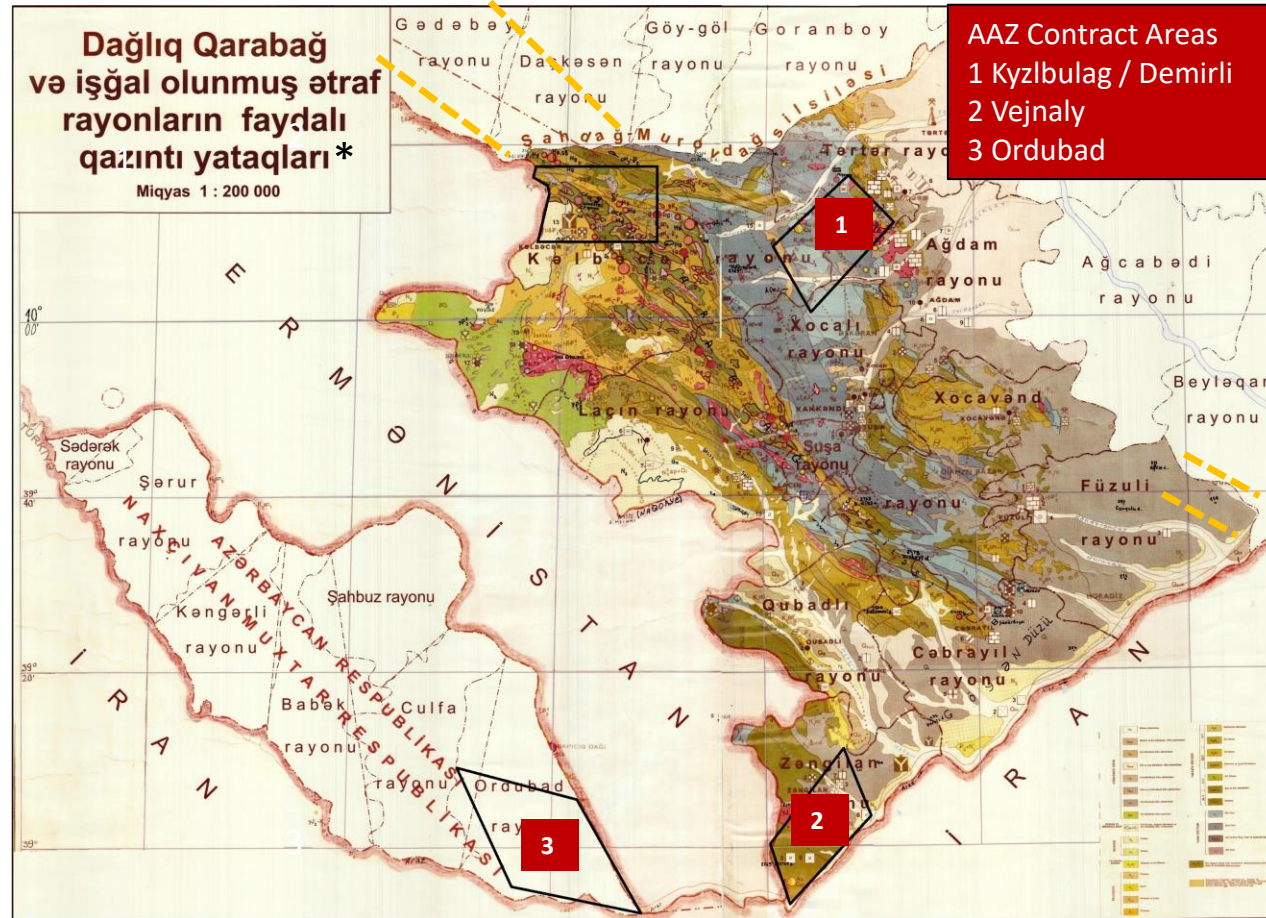


# Newly Restored Contract Areas Large Upside Mineral Potential

Future activity will include exploration as well as exploiting existing mines...

- ✓ Exploration potential shown by known metal anomaly targets in the CAs
- ✓ Regional structural geology on SE trend from Gedabek
- ✓ Gold, copper and zinc deposit targets

(Assumes parliamentary ratification of the recent transaction)



*\*Mineral deposits of the Karabakh and surrounding Occupied Regions  
(Area now liberated and under Azerbaijan control) map not to scale*

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# Anglo Asian Investment Case



## CASH GENERATIVE

Cash generative with no debt

## FIRST MOVER ADVANTAGE

Only listed miner in Azerbaijan

## LOW COST

Operations in the lowest quartile of the cost curve

## H1 2021 DIVIDENDS

Interim dividend of US 4.5 cents per share

## FAST TRACK ABILITY

Several discoveries now being explored with production in 2022

## GROWTH POTENTIAL

Clear strategy focused on both Azerbaijan and international expansion

## STRONG BALANCE SHEET

Solid capital position available to finance growth

## EXPERIENCED TEAM

Highly qualified team with strong in-country relationships



# Appendices



# Appendix 1 – Mining / Processing in H1 2021\*

The Company produces ore from various mines with several processing options

## Gedabek Open Pit

- Producing gold and copper since 2009
- 897k tonnes of ore at 0.82 g/t gold mined in H1 2021\***



## Gadir Underground Mine

- Commenced production in 2015 and tunnelling now connected to Gedabek UG mine
- 54k tonnes of ore at 2.05 g/t gold mined in H1 2021\***



## Gedabek Underground

- Portal opened and tunnelling now connected to Gadir UG mine
- 100k tonnes of ore at 1.60 g/t gold mined in H1 2021\***



## Gosha Underground Mine

- Company's first underground mine
- Near mine drilling shows potential extensions of the ore body**



## Agitation Leaching†

- Similar to CIL except uses resin not carbon
- Processed 319k tonne of ore of average grade 1.78 g/t gold in H1 2021\***



## Flotation Processing

- Produces concentrate from copper rich ore
- Treated 228k tonne of ore containing 1,248 tonnes of copper in H1 2021\***



† The Company also processes ore by crushed ore heap leaching and run-of-mine (ROM) heap leaching



# Appendix 2 – Gedabek Open Pit

## Mineral Resources (classified according to the JORC Code)

MINERAL RESOURCES (cut-off grade of 0.2 g/t gold)									
Mineral Resources	Tonnage (Mt)	In-situ grades				Contained Metal			
		Gold grade (g/t)	Copper grade (%)	Silver grade (g/t)	Zinc grade (%)	Gold (koz)	Copper (kt)	Silver (koz)	Zinc (kt)
Measured	15.8	0.66	0.12	2.58	0.24	335	19.0	1,311	37.9
Indicated	12.0	0.56	0.12	2.31	0.16	216	14.4	891	19.2
<b>Measured and Indicated</b>	<b>27.8</b>	<b>0.62</b>	<b>0.12</b>	<b>2.46</b>	<b>0.21</b>	<b>551</b>	<b>33.4</b>	<b>2,202</b>	<b>57.1</b>
Inferred	13.0	0.44	0.06	0.61	0.15	184	7.8	255	19.5
<b>TOTAL</b>	<b>40.8</b>	<b>0.56</b>	<b>0.10</b>	<b>1.87</b>	<b>0.19</b>	<b>735</b>	<b>41.2</b>	<b>2,457</b>	<b>76.6</b>

*Some of the totals above may not add due to rounding*

ADDITIONAL MINERAL RESOURCES (Additional to Gold Mineral Resource) (gold cut-off < 0.2 g/t and copper > 0.3 %)												
	Gold		Copper		Silver		Zinc		Contained Metal			
	Tonnage (Mt)	Gold grade (g/t)	Tonnage (Mt)	Copper grade (%)	Tonnage (Mt)	Silver grade (g/t)	Tonnage (Mt)	Zinc grade (%)	Gold (koz)	Copper (kt)	Silver (koz)	Zinc (kt)
Measured	-	-	2.15	0.43	0.08	16.4	1.86	0.53	-	9.2	42	9.9
Indicated	-	-	2.13	0.34	0.28	13.9	2.03	0.51	-	7.2	125	10.4
<b>Measured and Indicated</b>	<b>-</b>	<b>-</b>	<b>4.28</b>	<b>0.39</b>	<b>0.36</b>	<b>14.5</b>	<b>3.89</b>	<b>0.52</b>	<b>-</b>	<b>16.5</b>	<b>167</b>	<b>20.2</b>
Inferred	-	-	2.85	0.40	0.15	19.4	7.04	0.54	-	11.4	94	38.0
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>7.10</b>	<b>0.39</b>	<b>0.51</b>	<b>15.9</b>	<b>10.9</b>	<b>0.50</b>	<b>-</b>	<b>27.9</b>	<b>261</b>	<b>58.2</b>

*Some of the totals above may not add due to rounding*



# Appendix 3 – Gedabek Open Pit

## Ore Reserves (classified according to the JORC Code)

Ore Reserves	Tonnage (millions)	In-situ grades			Contained metal		
		Gold Grade (g/t)	Copper Grade (%)	Silver Grade (g/t)	Gold (koz)	Copper (kt)	Silver (koz)
Proved	8.07	0.72	0.19	3.48	187	15.3	902
Probable	3.65	0.64	0.23	4.87	75	8.5	572
Proved and probable	11.72	0.70	0.20	3.91	263	24	1,474

### Based on resources data as of 30 June 2020

- Gold-copper resources form upper level of open pit area
- Additional reserves of 21 koz gold, 2.2 kt copper and 279 koz silver on stockpiles
- Combined metal (Gedabek and Gadir in total resources):
  - over 1 Moz gold
  - 73,000 tonnes of copper

Resources & Reserves as reported 02 November 2020 ([www.angloasianmining.com](http://www.angloasianmining.com))

# Appendix 4 – Zafar Deposit

## Mineral Resources (classified according to the JORC Code)

		In-situ grades			Contained metal		
Mineral Resources*	Tonnage (million tonnes)	Copper grade (%)	Gold grade (g/t)	Zinc grade (%)	Copper (t)	Gold (ozs)	Zinc (t)
Measured and indicated	8.21	0.60	0.31	0.48	49,000	81,000	39,000
Inferred	0.26	0.68	0.07	0.31	2,000	1,000	1,000
Total	8.47	0.60	0.30	0.47	51,000	82,000	40,000

\* Copper cut-off grade of > 0.3 per cent. copper equivalent  
All tonnages reported are dry metric tonnes

Mineral Resources as at August 2021

# Appendix 5 – Gadir Deposit

## Mineral Resources & Ore Reserves (classified according to the JORC Code)

		In-situ grades				Contained metal			
Mineral Resources	Tonnage (kt)	Gold Grade (g/t)	Copper Grade (%)	Silver Grade (g/t)	Zinc grade (%)	Gold (koz)	Copper (t)	Silver (koz)	Zinc (t)
Measured	2,035	2.47	0.09	4.69	0.61	162	1,831	307	12,407
Indicated	966	1.59	0.02	0.63	0.33	49	193	20	3,188
Measured and Indicated	3,001	2.19	0.07	3.40	0.52	211	2,024	326	15,595
Inferred	1,594	1.10	0.01	0.03	0.10	56	159	2	1,594
Total	4,595	1.81	0.05	2.22	0.37	267	2,183	328	17,189

Ore Reserves	Tonnage (Mt)	Gold Grade (g/t)	Copper Grade (%)	Silver Grade (g/t)	Gold (koz)	Copper (t)	Silver (koz)
Proved	0.47	2.32	0.04	3.38	35	173	51
Probable	0.19	2.20	0.01	0.74	14	18	5
Proved and probable	0.66	2.28	0.03	2.6	49	191	56

Resources & Reserves as of Oct 2020

# Appendix 6 – 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**