ANGLO ASIAN MINING PLC

February 2020

AIM: AAZ

**RNS Announcement-Linked Report**



# Q4 2019 Ordubad Exploration Activity and Results

## Highlights

### Objectives of the Exploration Programme during Q4 2019

Greenfield exploration activity continued over the Ordubad Contract Area ("CA") during Q4 2019. The main exploration objective of Q4 2019 was to reconcile interpretation of the WorldView-3® data (obtained in Q3) against geological field observations. This was carried out with the assistance of a member of the research team from the Natural History Museum, London ("NHM").

### Overview of Exploration Activity in Q4 2019

Baseline interpretation of the WorldView-3® satellite imagery was completed during Q3. As a result of the broadly non-specific mineralogical data (mineral groups or alteration patterns generally identified, as opposed to individual mineralogy), field-based geological reconnaissance and observations were critical to establish confidence in the modelled findings. As the capture area is so large, this task will continue throughout 2020.

As part of the ongoing 'FAMOS' international research project, the NHM team also collected a suite of samples, predominantly hosting chlorite and/or epidote mineralisation. It is hoped that with detailed analysis, porphyry vectoring can be carried out, which will indicate whether a porphyry system may exist within the Ordubad CA.

As a follow-up to the identification of quartz veining around the Aylis target, a trenching programme commenced during Q4. A total of 48 trenches were dug prior to unfavourable weather conditions setting in – the study will continue into 2020.

### Main Results of the Exploration Programme in Q4 2019

All results have now been returned for the Dirnis and Keleki drilling (completed in H1); all outstanding assay data is reported here, and geological interpretation is currently underway.

Results are awaited for the samples collected by the NHM

### Outlook for Exploration in Q1 2020

Further validation of WorldView-3® imagery against field observations will be ongoing where access permits. In addition, trenching and further drilling will recommence when weather conditions improve.


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**Anglo Asian Director of Geology and Mining, Dr. Stephen Westhead, commented:** *"The results from the WorldView-3® data interpretation provided information on regional geological trends, alteration styles and structures that would not otherwise have been assessed so rapidly in the field. The layering of this geological information helped focus the work locations for follow-up field work by the geology team with the collaboration of the Natural History Museum team while utilising the geochemical results that identified new gold vein targets. Geological modelling and mineral targeting of the region is ongoing to identify drilling locations to test the presence of mineralising systems and associated features such as lithocaps, with the aim to prioritise locations for resource drilling. The copper and gold upside potential are significant, and the team look forward to prioritising targets for resource evaluation to create shareholder value from the Ordubad Contract Area."*


**Contract Areas and Projects**

**Gedabek Contract Area:**

Gedabek Open Pit

Gadir Underground Mine

Ugur Open Pit

Söyüdlü Exploration

Korogly Exploration

Avshancli Exploration

Gedabek Regional Exploration

**Gosha Contract Area:**

Gosha Underground Mine

Asrikchay Exploration

**Ordubad Contract Area:**

Shakardara Exploration

Destabashi Exploration

Aylis Exploration

Ordubad Regional Exploration

**Lead Competent Person and Technical Specialists Declaration**

**Lead Competent Person**

Stephen Westhead has a minimum of 5 years relevant experience to the type and style of mineral deposit under consideration and to the activity which is being undertaken to qualify as a Competent Person ("CP") as defined in the JORC Code [1]. Stephen Westhead consents to the inclusion in the Report of the matters based on this information in the form and context in which it appears.

*"I am not aware of any material fact or material change with respect to the subject matter of the Report, which is not reflected in the Report, the omission of which would make the report misleading. At the time this Report was written and signed off, to the best of my knowledge, information and belief, the Report contains all scientific and technical information that is required to be disclosed to make the Report not misleading"*

**Technical Specialists**

The following Technical Specialists were involved in the preparation of the Exploration Report and have the appropriate experience in their field of expertise to the activity that they are undertaking and consent to the inclusion in the Report of the matters based on their technical information in the form and context in which it appears.

| Name | Job Title | Responsibility | Signed |
|---|---|---|---|
| Rustam Abdullayev | Senior Exploration Geologist | Ordubad CA Supervisor | |
| Katherine Matthews | Project Geologist | Data Interpretation, Report Compilation and Review | |
| Stephen Westhead | Director of Geology and Mining | Management | |

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| Glossary of Terms and Abbreviations | | | |
|---|---|---|---|
| AAM | Anglo Asian Mining PLC.; the AIM-listed company with a portfolio of gold, copper and silver production and exploration assets in Azerbaijan | | |
| AAZ | ticker for Anglo Asian Mining PLC., as listed on the AIM trading index | MENR | Azerbaijan Ministry of Ecology and Natural Resources |
| AIMC | Azerbaijan International Mining Company Limited; a subsidiary of AAM | NHM | Natural History Museum, London |
| CA | Contract Area | ppm | parts per million |
| CPR | Competent Person's Report | PSA | Production Sharing Agreement |
| DD | diamond drilling | Ag | chemical symbol for silver |
| FAMOS | From Arc Magmas to Ores; an international academic research project | Au | chemical symbol for gold |
| g/t | grams per tonne | Cu | chemical symbol for copper |
| IPO | Initial Public Offering | Zn | chemical symbol for zinc |

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## Introduction

Azerbaijan International Mining Company Ltd. ("AIMC" or the "Company"), a wholly owned subsidiary of Anglo Asian Mining PLC. ("AAM", London Stock Exchange ticker "AAZ") is pleased to report exploration activity and results from 1st October to 31st December 2019 ("Q4 2019") for the Ordubad CA.

Broad greenfield exploration activity continued during Q4 2019, focusing on ground-truthing anomalies identified during preliminary analysis of the geochemical results from the 2018 campaign. This included detailed geological mapping northeast of the Dirnis settlement (distinct from the Dirnis mineral target), over a new target currently referred to as "Aylis". In total, 2.0 $km^2$ of geological mapping was completed over Ordubad during Q4.

Continuing on from their visit in 2018, a member of the team from the Natural History Museum, London ("NHM") travelled to the Ordubad CA in order to work with AIMC geologists to assess preliminary interpretations from the WorldView-3® satellite data (collected in Q3 2019; [3]) against field observations. Validation between the datasets is continuing and a report will be issued once finalised by the NHM (expected H1 2020). These geologically robust data will then be assessed in relation to the known deposits and new mineral occurrences of Ordubad, with the aim of defining targets to be drilled during 2020.

## Mineral Tenement and Land Tenure Status

Exploration activities carried out in Q4 2019 by AIMC occurred over three of the held CAs; these are the Gedabek, Gosha and Ordubad CAs (Figure 1). All three of these CAs are each governed under a Production Sharing Agreement ("PSA"), as managed by AIMC and the Azerbaijan Ministry of Ecology and Natural Resources ("MENR").

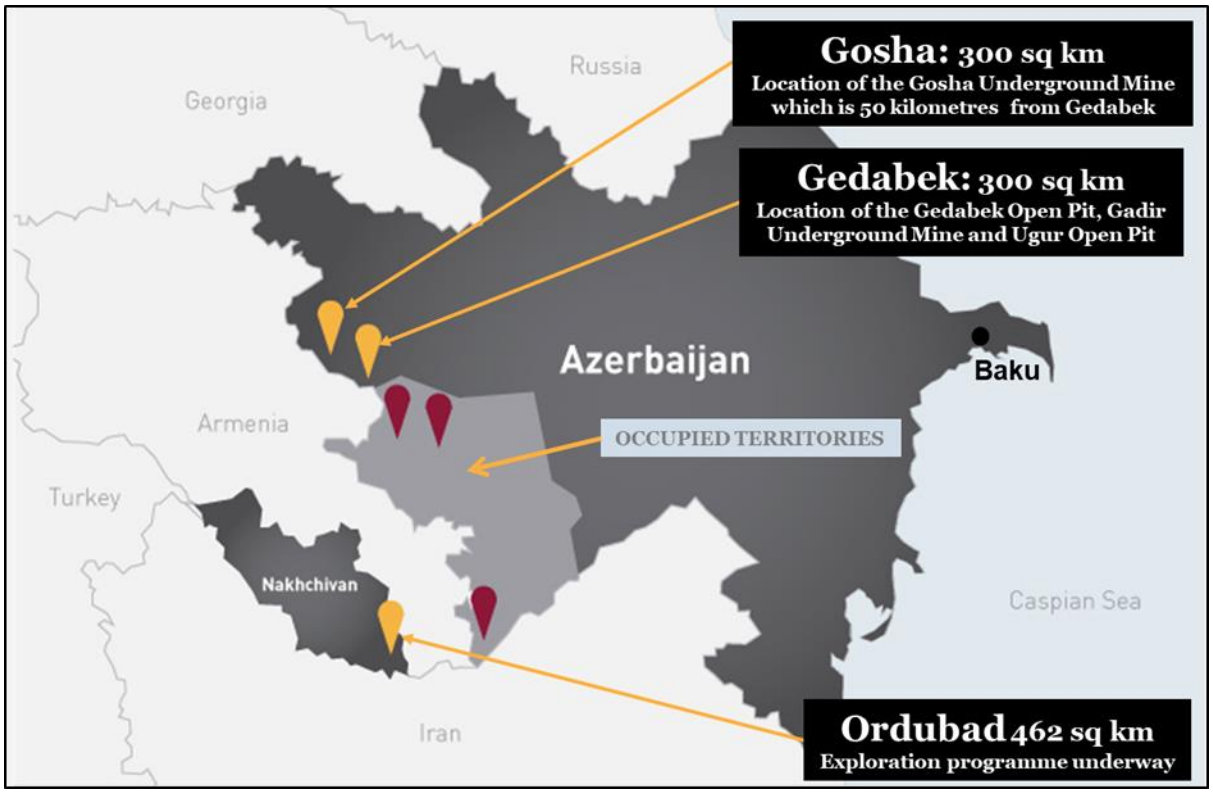
The PSA grants AAM a number of 'time periods' to exploit defined CAs, as agreed upon during the initial signing. The period allowed for early-stage exploration of the CAs to assess prospectivity can be extended if required.

A 'development and production period', which commences on the date that the Company holding the PSA issues a notice of discovery that runs for fifteen years, with two extensions of five years each, at the option of the Company. Full management control of mining and exploration activities rests with AIMC. The Ordubad CA currently operates under this title.

Under the PSA, AAM is not subject to currency exchange restrictions and all imports and exports are free of tax or other restrictions. In addition, MENR is required to use its best endeavours to make available all necessary land, its own facilities and equipment, and to assist with infrastructure.

At the time of reporting, the Ordubad CA does not lie within any official national park boundary; however, a small area of ecological interest around the Misdag deposit is subject to confirmation. Currently, there are no known impediments to obtaining a licence to operate in the area. The PSA covering the Ordubad CA is in good standing.

**Figure 1** – Locations of the CAs held by AAM and managed by AIMC.




## Exploration Summary

A summary of the exploration activities carried out over the Ordubad CA in Q4 2019 is provided below in Table 1. Minimum reporting grades for exploration results are provided in Appendix A, trenching data summarised in Appendix B and the JORC Table 1 is presented in Appendix C. Please note that, as with previous exploration reports, samples have only been included in the total if assay results for the entire drill hole have been returned – this is to avoid double-counting of sample tallies. For example, drill samples quantities are reported here as assays received for the completed drill hole in Q4 2019, although completed in H1 2019.

**Table 1** – Ordubad CA Exploration statistics Q4 2019.

| **Ordubad Contract Area** | | |
|---|---|---|
| **Exploration Activity** | **Units** | **Q4 2019 Total** |
| **Surface** | | |
| Surface Geological Mapping | Area ($km^2$) | 2.00 |
| Surface DD Drilling (Dirnis) | No. holes | - |
| | Total m | - |
| | Total samples | *618* |
| Surface DD Drilling (Keleki) | No. holes | - |
| | Total m | - |
| | Total samples | *963* |
| **Analysis and Research Activities** | | |
| AIMC/NHM WorldView-3 reconnaisance | | |
| NHM whole rock analysis for igneous rock affinity (ongoing) | | |
| NHM zircon age dating on rock samples (collected Q4 2018) | | |

## Ordubad Contract Area

The Ordubad CA, with the mineral deposits and occurrences mentioned within this report is located within the Nakhchivan exclave (Figure 2). It should be noted that whilst the perimeter drawn between 'ORD-3' and 'ORD-4' traverses the Iranian border (yellow), the true CA extents clip to this boundary. Also note that the Misdag deposit lies outside of the PSA, however, is located on the Azerbaijan side of the international border and is adjacent to the Ordubad CA boundary. According to the PSA, exploration activities are permitted to occur outside of this perimeter, provided geological continuity can be demonstrated. Thus, the boundary is notionally clipped to the Armenian border between 'ORD-2' and 'ORD-3'.

## Ordubad Contract Area Background

The Ordubad CA lies within the south-eastern corner of the Nakhchivan region of Azerbaijan and covers an area of 462 $km^2$. The CA contains numerous mineral deposit targets including Shakardara, Piyazbashi, Misdag, Agyurt, Shalala and Diakchay, which are all located within a 5 km radius of each other (see Figure 2). In Q4 2019, exploration activity focused predominantly around Aylis and involved detailed geological mapping.

The Ordubad region is known for its mineral potential as demonstrated by small-scale mine development during the Soviet era. Significantly, the region is adjacent to operating large-scale porphyry Cu deposits in nearby countries (e.g. the Sungun Cu mine, Iran). Ordubad is a part of the Miskhana-Zangezur tectonic subzone, which hosts several known Cu, Au and molybdenum deposits.

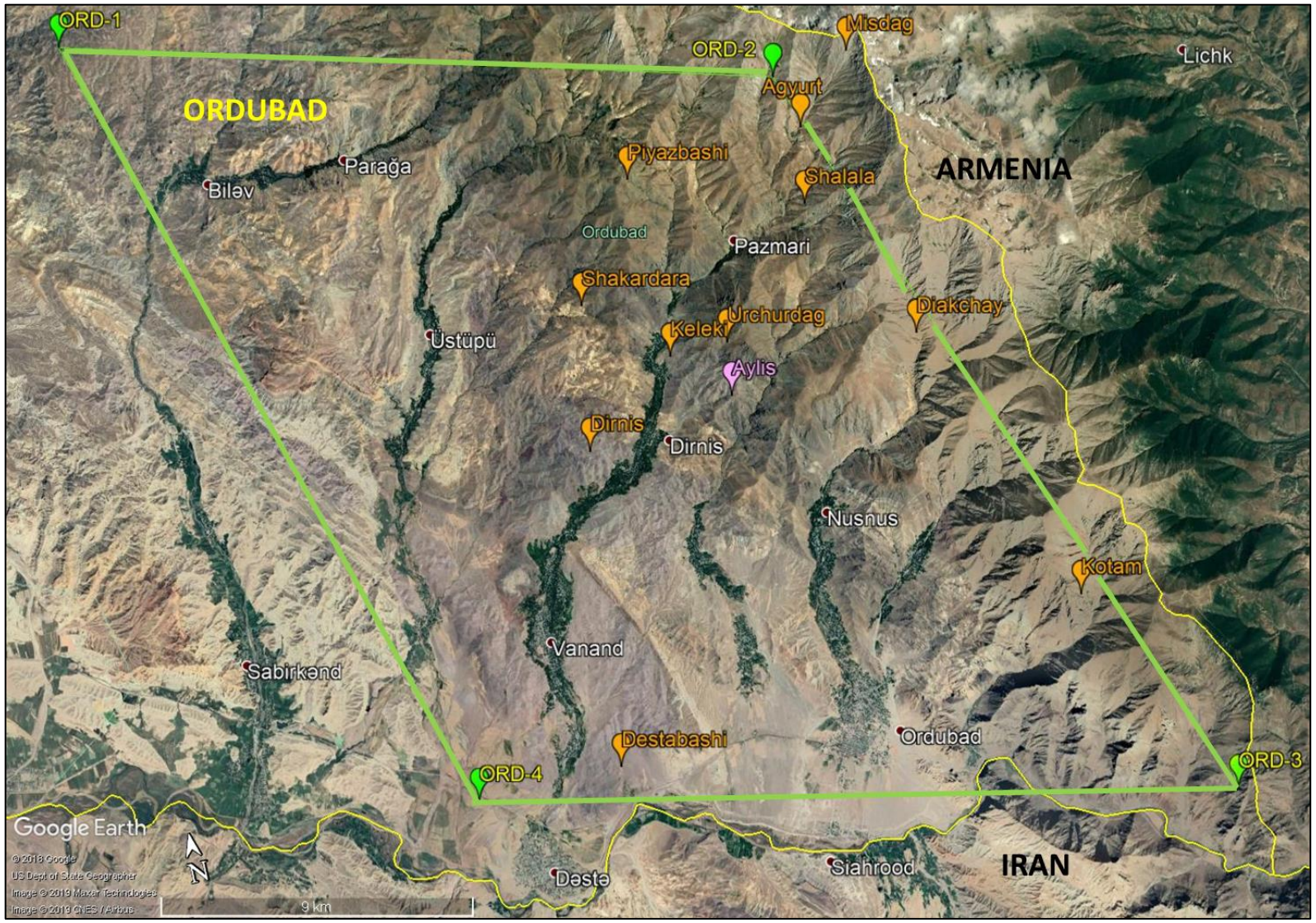
Ordubad was subjected to Soviet-era exploration and geological studies. There are currently fifteen known mineral deposits and occurrences within the Ordubad CA, six of which have been classified according to the Soviet resource system. These six Au- and Cu-bearing deposits were studied as a follow-up to the Soviet work, as reported by mining consultant group Behre Dolbear. Their Competent Person's Report ("CPR") was included as Part IV in the 2005 Initial Public Offering ("IPO") document of Anglo Asian Mining [4].

According to the CPR:

*"The Soviets completed extensive technology reports on several properties. In general, the Soviets only completed technology reports on properties they considered should be developed into mining operations.*

*The Ordubad Contract Area is 462 $km^2$ in the Nakhchivan region and contains numerous deposits, six of which have been studied by Behre Dolbear: Shakardara, Piyazbashi, Misdag, Agyurt, Shalala and Diakhchay. These deposits lie within a 5 km radius. The Ordubad Contract Area also contains other significant properties with Soviet era defined resources in Yashiling* (actually Yashillig)*, Goyhundur, Keleki and Kotam. Porphyry copper deposits of the Ordubad ore region were located within the western part of the Megri-Ordubad granitoid massif, where the Paragachay, Diakhchay, Misdag, Gey-gel, Geydag, Goyhundur, Shalala and other deposits were found. In conclusion, Behre Dolbear believes that thorough exploration will reveal significantly more potentially economic mineralisation than is presently known, especially in the Ordubad and Gedabek Contract Areas.* [sic]*"*

**Figure 2** – A map highlighting the Ordubad CA extents (green) and the main ore finds in the region. Exploration activity during Q4 2019 was completed close to Dirnis, at the new target "Aylis" (pink). Image obtained from Google Earth [2].



An extract from the CPR of the Soviet resources table for Ordubad is shown below (Table 2). Previous attempts to replicate some of the Soviet results correlated poorly. However, it is believed that the check sampling methodology and the locations for duplication were incorrect. The tonnages of Piyazbashi and Agyurt were broadly confirmed in previous work by the Company.

The Company believes the figures in Table 2 are not fully defined and is carrying out further work to review the source reports and then validate with follow-up field work. Nevertheless, the Soviet data indicates the presence of potentially extensive mineralisation, which justifies further work.

However, exploration targeting cannot solely rely on historical Soviet data. For example, two of the Company's three operating mines in the Gedabek CA, namely Gadir and Ugur, were not part of the Soviet deposit inventory. Moreover, modern exploration techniques and processing facilities and contemporary industry economics create a different environment today for exploration and exploitation, thus creating new exploration opportunities as compared with the Soviet era.

**Table 2** – Ordubad Resources (Soviet-classified), extracted from the Behre Dolbear CPR [4].

| Name | Category | Ore | Cu | Au | Ag | Cu | Au | Ag |
|---|---|---|---|---|---|---|---|---|
| | | Mt | % | g/t | g/t | kt | koz | koz |
| Shakardara | P2 | 156 | 0.40 | 1.10 | 3.60 | 624 | 5,518 | 18,058 |
| Misdag | P1 | 350 | 0.43 | - | - | 1,505 | - | - |
| Shalala | C2 + P1 | 20.6 | 0.50 | - | - | 103 | - | - |
| Agyurt | C2 + P1 | 1.13 | 1.28 | 6.39 | 23.40 | 15 | 232 | 850 |
| Piyazbashi | C2 + P1 | 0.89 | - | 6.60 | - | - | 189 | - |
| Diakchay | C2 + P1 | 14.4 | 0.44 | - | - | 63 | - | - |
| **Total** | | | | | | **2,310** | **5,939** | **18,908** |

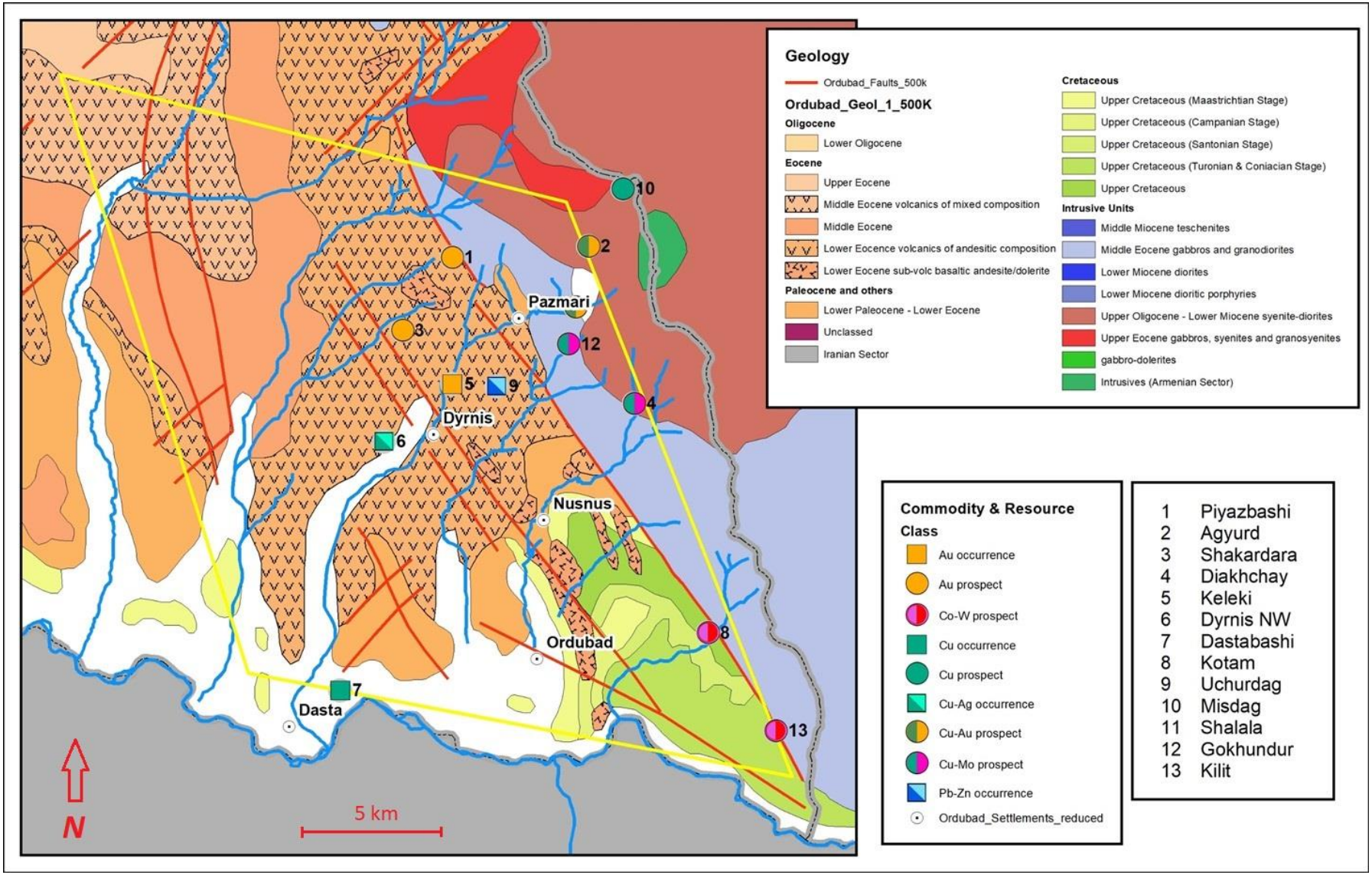
## Geological Overview

The Ordubad CA comprises of dominantly Eocene volcanic sequences (Figure 3) – these units include pyroclastic flows, lava facies and epiclastics. The extent of the alteration footprint is clearly controlled by the lithological units, in addition to the major NW-SE trending fault systems. Minor intrusions post-date volcanic emplacement.

Three different alteration systems are prevalent over Ordubad; these are locally termed 'White Rock', 'Green Rock' and 'Sodic-Calcic' alteration. 'White Rock' comprises of argillic alteration and is associated with the volcanic sequences. 'Green Rock' is composed of dominantly propylitic alteration and may represent either epithermal-style mineralisation or deeper porphyry mineral systems – further study needs to be completed to determine this. 'Sodic-Calcic' alteration is associated with the Megri-Ordubad massif complex and believed to represent a deeper portion of a porphyry mineral system.

Major structural systems trend NW-SE and include the extensive Ordubad and Keleki Faults. These faults are believed to have controlled mineralisation emplacement over the region; the intersections between these faults and NE-striking dislocations create favourable geological-structural conditions for the location of a variety of types of mineralisation.

**Figure 3** – A geological overview of the Ordubad CA provided by the NHM. Key deposits are highlighted (note some slight differences in location spellings).



# Exploration Activities H1 2019 – Review

The data presented below has been included as part of this Q4 exploration report to summarise assay results for drilling previously completed during H1 2019. Due to several reasons, including volume of samples and travel distance to the AIMC laboratory, core was not able to be assayed as soon as logged and sampled. As complete assay data were not returned for the holes below until Q4, they have been included as part of this update.

## Dirnis

### Deposit Overview

The Dirnis prospect is located approximately 2.5 km west of Dirnis village and south of the regional Keleki Fault, on the periphery of a zone of 'White Rock' alteration. Dirnis is a mineral occurrence not covered in the IPO document [4]; however geological works over the region have provided positive results, notably from the geochemical study completed during 2018 (results summary presented in [5]).

Dirnis is a Cu-Ag prospect and covers an area dominated by pyroclastic flows and associated volcanics of Lower Eocene age. Significant Cu grades have previously been returned from malachite veining occurring in areas hosting both 'White Rock' and Green Rock' alteration. Currently, it is uncertain as to the relationship between malachite emplacement and alteration occurrence. Paragenetic studies are underway with the recent drilling; however, it is noted by the NHM in their preliminary report provided to AIMC that *"first pass field based interpretation suggests that the mineralization is representative of the supergene modification of a original Cu-sulphide-quartz-carbonate vein set* [sic]*".*

### Exploration Summary

A total of 18 DD holes (for 3,642.60 m) were completed at Dirnis during H1. The aim of this drill programme was to establish the subsurface geology beneath Dirnis and assess the potential of a malachite mineral source at depth.

Assays for three of the holes (DRDD03/04/10) were returned and reported in [5] whilst results for a further 8 holes (DRDD01/01A/05/05A/06/09/13/14) were reported in [3] – the remaining 7 are reported here.

A summary of the significant intersections is provided in Table 3. Note that Cu% was calculated after assay receival. Grades reported in ppm have been rounded to 0 d.p.

**Table 3** – Drill hole intersections summary, including significant grades – Dirnis DD

| Hole I.D. | Intersection | | | Weighted Average Grades | | | | |
|---|---|---|---|---|---|---|---|---|
| | Depth From | Depth To | Downhole Length | Au | Ag | Cu | | Zn |
| | m | m | m | g/t | g/t | ppm | % | ppm |
| DRDD02 | NSI | | | | | | | |
| DRDD06A | 47.00 | 48.00 | 1.00 | 0.03 | 5.00 | 2,018 | 0.20 | 95 |
| | 85.00 | 87.00 | 2.00 | 203.89 | 5.00 | 912 | 0.09 | 552 |
| DRDD09A | 0.00 | 4.10 | 4.10 | 10.61 | 5.00 | 6,734 | 0.67 | 134 |
| DRDD09B | 0.00 | 3.50 | 3.50 | 8.76 | 18.91 | 26,934 | 2.69 | 46 |
| | 7.50 | 16.00 | 8.50 | 7.23 | 17.46 | 12,307 | 1.23 | 105 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 46.00 | 48.00 | 2.00 | 0.03 | 11.55 | 2,759 | 0.28 | 159 |
| DRDD13A | 34.00 | 36.40 | 2.40 | 0.03 | 23.48 | 19,488 | 1.95 | 104 |
| | 41.40 | 41.80 | 0.40 | 0.03 | 62.79 | 45,130 | 4.51 | 71 |
| | 70.50 | 71.00 | 0.50 | 0.03 | 5.00 | 6,587 | 0.66 | 95 |
| DRDD13B | NSI | | | | | | | |
| DRDD21 | 25.00 | 26.00 | 1.00 | 126.61 | 5.00 | 766 | 0.08 | 421 |

Due to the significantly elevated Au grades in DRDD06A and DRDD21, and those previously mentioned in [3], a study is continuing to determine the coarseness of the Au mineralisation; this may be extended to cover the Keleki programme (a known Au occurrence) if deemed appropriate. A number of checks are being carried out, including resubmission of pulps to rule out errors during assaying, and the core for these intervals will be quarter-cored. The material will then be sent off for thin and polished section creation; once returned, the sections will either be studied in-house or by an external party.

## Keleki

### Deposit Overview

The Keleki mineral target is located approximately 500 m north of the village of Keleki and 500 m east of the village of Unus – access to the site is comparatively easy.

The Keleki prospect lies within the 'Central Zone', bounded by the regional Ordubad (north) and Keleki (south) Faults. Keleki was briefly covered in the IPO document [4] - it was stated that *'some trenching and underground exploration targeting copper mineralization has been conducted'* and that *'some grades over 2%Cu have been reported [sic]'*.

Geologically, Keleki is deemed to be similar to the Shakardara deposit (both Au) and host rocks are various volcanic facies of Lower Eocene age. The mineralisation is emplaced in a quartz vein system – proximal to the Keleki find is the large-scale, northwest-trending Keleki Fault. It was noted in the NHM report provided to AIMC that *'taking into account the number of mineral showings that are located within it, the Keleki fault must be considered an important channel for mineralizing hydrothermal fluids. Quartz veins are common within the main fault and also in the individual branches [sic]'.* This provides a prospect for future exploration targets around the Keleki site.

### Exploration Summary

A total of 10 DD holes (for 1,765.00 m) were completed at Keleki during H1. The aim of this drill programme was to assess the depth extensions of the Au-bearing vein system and to better understand the orientation of the ore body.

A summary of the significant intersections is provided in Table 4. Note that Cu% was calculated after assay receival. Cu grades reported in ppm have been rounded to 0 d.p.

**Table 4** - Drill hole intersections summary, including significant grades – Keleki DD

| Hole I.D. | Intersection | | | Weighted Average Grades | | | | |
|---|---|---|---|---|---|---|---|---|
| | Depth From | Depth To | Downhole Length | Au | Ag | Cu | | Zn |
| | m | m | m | g/t | g/t | ppm | % | ppm |
| KLDD01 | NSI | | | | | | | |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| KLDD01A | NSI | | | | | | | |
| KLDD02 | NSI | | | | | | | |
| KLDD03 | 20.00 | 20.80 | 0.80 | 158.80 | 5.00 | 787 | 0.08 | 518 |
| | 86.50 | 87.50 | 1.00 | 86.06 | 5.00 | 368 | 0.04 | 255 |
| | 142.50 | 143.20 | 0.70 | 249.17 | 5.00 | 1474 | 0.15 | 828 |
| | 177.80 | 178.60 | 0.80 | 41.29 | 5.00 | 352 | 0.04 | 234 |
| KLDD04 | NSI | | | | | | | |
| KLDD05 | 106.00 | 107.00 | 1.00 | 139.56 | 5.00 | 1425 | 0.14 | 602 |
| KLDD05A | 170.80 | 171.40 | 0.60 | 0.03 | 5.00 | 2065 | 0.21 | 135 |
| KLDD09 | NSI | | | | | | | |
| KLDD10 | NSI | | | | | | | |
| KLDD11 | NSI | | | | | | | |

# Exploration Activities Q4 2019

## Ordubad Regional

### Region Overview

Continuation of mapping activities over new anomalies identified from the 2018 geochemical study was the focus of exploration during Q4 (Figure 4). The mapping was predominantly completed over an area approximately 2.5 km NE of Dirnis village and 2 km E of Keleki village, herein termed Aylis. Additional small-scale reconciliation was completed in two zones, located between the Keleki (Au) and Urchurdag (lead-zinc) occurrences (zones as yet unnamed; herein termed “Keleki-Urchurdag”).

The area covered by geological mapping is dominated by volcaniclastics, pyroclastic flows and associated andesitic volcanics of Lower Eocene age. These rocks lie unconformably over Upper Cretaceous flysch sediments and carbonates – it is this material that is believed to form the basement for the majority of the CA.

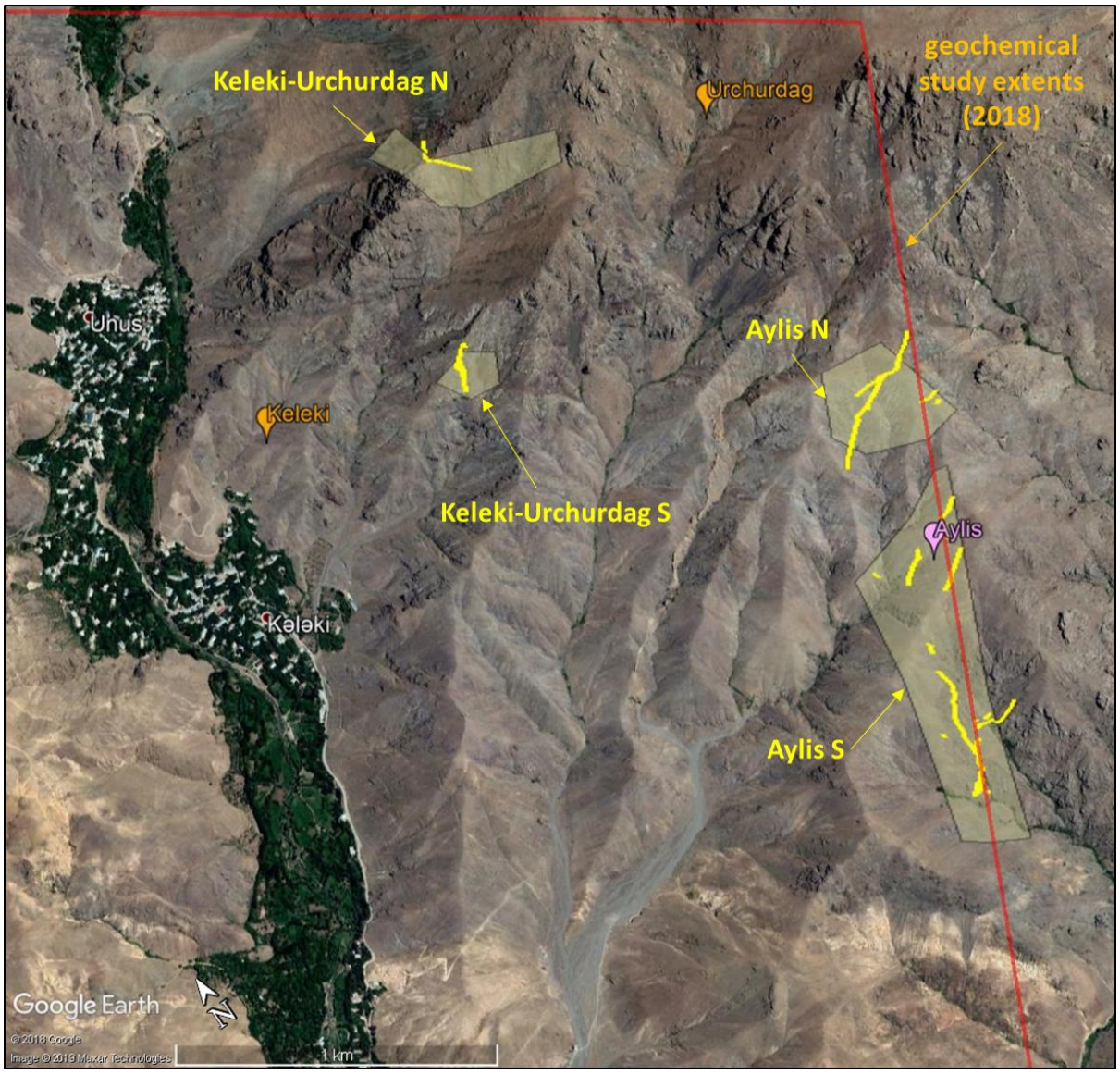
A series of large-scale, steeply dipping faults run through the CA, in an NW-SE direction. The areas mapped during Q3 and Q4 are bounded to the north by the Ordubad Fault and to the south by the Keleki Fault. These faults are believed to be key factors in the development of the stratigraphic succession seen today over Ordubad; however, no fault structures or splays were identified during field mapping around the Aylis and Keleki-Urchurdag anomalies.

### Exploration Summary

The total area covered during mapping was 2.0 $km^2$ – due to the proximity to the villages, additional access measures to the valley below Aylis were not required. It should be noted that relief over the Aylis anomaly is extreme and is considered to be rough terrain. Geological study over all targets has previously provided positive results, with the identification and mapping of numerous vein sets (Figure 4). Examples of the geochemical signatures over the Aylis and Keleki-Urchurdag anomalies can be seen in [3].

Further details are provided below in ‘Natural History Museum Site Visit’.

**Figure 4** – A map highlighting geological fieldwork locations during Q4; new veins sets identified during Q3 are also highlighted. Existing targets noted in orange. New zones mapped identified with yellow labelling, with vein sets mapped with thick yellow lines. Image obtained from Google Earth [2].




## Aylis Trenching

### Overview

This is the first trenching study to be completed over the recently discovered Aylis target. Aylis was first identified through the Shakardara geochemical programme, completed in 2018. The Aylis anomaly extended down along the eastern margin of the study area, producing significant elemental anomalies in Au, Cu and Zn.

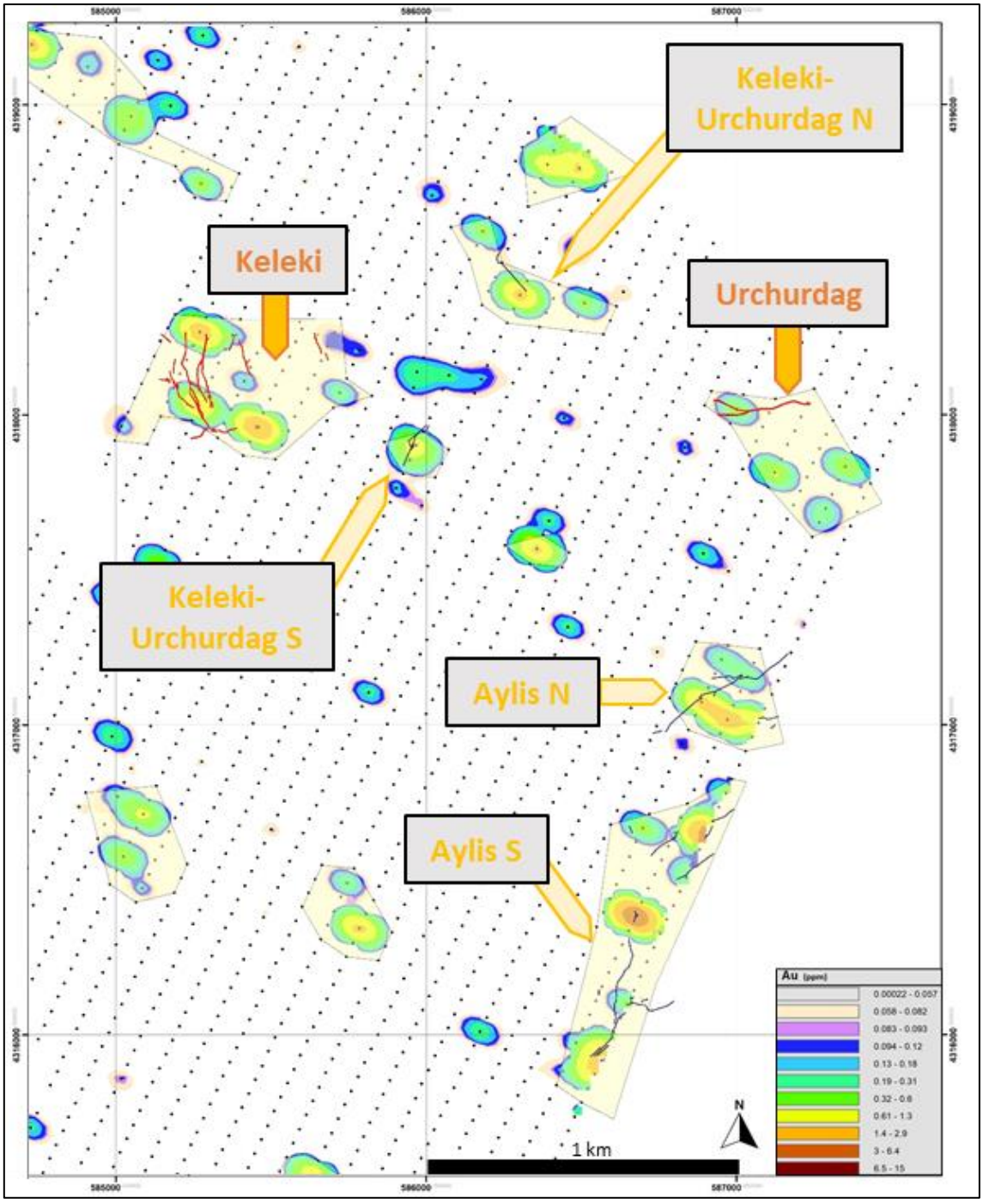
Follow-up reconnaissance fieldwork was completed during H1 and Q3; during this time geological mapping was completed and several vein sets identified (Figure 5). In order to progress work over the region whilst weather conditions were favourable, planning and execution of a trenching programme rapidly occurred. Trenching will recommence in Q1 2020 once site access is available and safe.

## Exploration Summary

A total of 48 trenches were dug over Aylis during Q4, amounting to 326.50 linear metres. Within these trenches, 363 samples were obtained; these were taken on 1 metre intervals unless geological constraints warranted adjustments in sample length. Trenching occurred over the vein sets in 'Aylis N', 'Aylis S' and in between (Figure 5) – samples have not yet been analysed, however, and grades will be reported as part of the next exploration report.

Trench details are provided in Appendix B.

**Figure 5** – A schematic showing contoured Au anomalies over the mapped region. Black dots represent geochemical sample collection locations. Known vein systems are drawn in red; those mapped during Q3 have been traced in black.



## Natural History Museum Site Visit

### Overview

A member of the 'From Arc Magmas to Ores' ("FAMOS") research team at the NHM, London, visited the Ordubad CA during November for ten days; the overarching aim of the collaboration with the NHM is to determine the Cu-porphyry potential of the region. For details of previous visits and findings, please refer to earlier Ordubad exploration reports.

During the visit, additional field samples were obtained. Predominant sampling targeted material that hosted chlorite and/or epidote alteration – by analysing these samples, it is possible to establish a vector system to identify porphyry centres, should they exist within Ordubad.

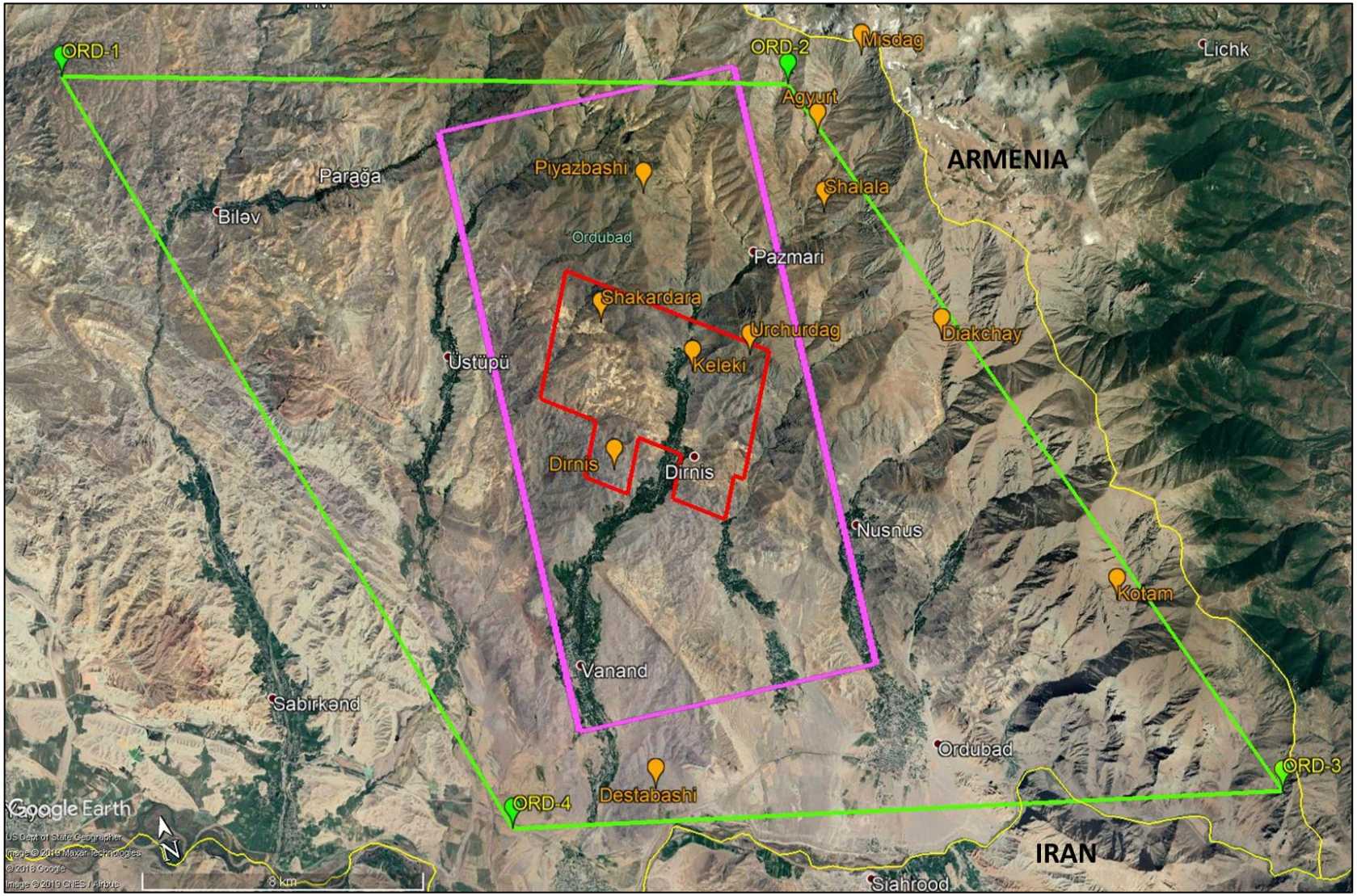
Studies were also completed to corroborate preliminary interpretations of the WorldView-3® satellite data and imaging against field observations. WorldView-3® satellite data and imaging are products of the company DigitalGlobe Inc., which now, along with other pioneering remote sensing groups, is unified under one brand, Maxar Technologies ("Maxar"). Management approval was granted in H1 to obtain WorldView-3 satellite imagery over part of the CA, in order to support mineral exploration activities in the area. The project was contracted out to Exploration Mapping Group, Inc. ("EMG") and completed within three weeks; image collection occurred on 15$^{th}$ August 2019 and the deliverables were provided to AIMC on 4$^{th}$ September 2019. Prior to collection, no WorldView-3 satellite images existed over the area in archive; this is the first WorldView-3 remote sensing project conducted by AIMC. Planned satellite capture for the region of interest covered 150 km$^2$ (Figure 6); however, extra image capture area was included for a total of 244 km$^2$ (further details are provided in [3]).

### Future Work

Analysis of the samples collected in Q4 is underway. A report from the NHM detailing the preliminary findings of the second site visit is currently being prepared; should it be deemed necessary, a summary report will be created by AIMC outlining the one provided to the Company by the NHM.

During 2020 it is planned that the complete dataset, including whole rock analyses of material from both site visits, the zircon age data and WorldView-3® imagery and field reconnaissance results be combined to produce an Ordubad desk study, detailing results, interpretations and current standing of the project.

**Figure 6** – A map showing the region covered by WorldView-3 (pink box; planned 150 km$^2$). The 2018 geochemical study area (red box; 26.7 km$^2$) and Ordubad CA extents (green boundary; 462 km$^2$) have been included for reference. Image obtained from Google Earth [2].



## Planned Exploration Activities 2020

Given the mineral potential of the Ordubad CA, a programme of work was developed to further understand the overall geological framework of the mineralisation genesis and to begin to follow up on the previously reported geology. Outstanding and continuing work into 2020 include the following:

- Obtaining, translating and reviewing of primary historical geology, exploration and technology reports (ongoing).
- NHM follow-up fieldwork to include mapping, geochemical data interpretation, drill core interpretation and additional sampling. The preparation of a new geological map for the Ordubad CA is planned for Q1 based on the WorldView-3® remote sensing satellite imagery, the AIMC geochemical results and field mapping sheets.
- Further WorldView-3® remote sensing satellite imagery is to be considered covering the area where data were not collected in the first acquisition.
- Surface geological mapping, sampling and trenching:
    - Further work is planned to focus around Aylis-Dirnis-Keleki-Urchurdag. 1,000 m of trenching, 200 stream sediment sampling points, 600 outcrop samples and 2,500 litho-geochemical analyses have been budgeted for.
- A ground-based induced polarisation (IP) geophysics survey is also budgeted.
- A provisional total of 7,200 m of drilling is planned in the area between Shakardara and Piyazbashi, Aylis, and copper targets near Dirnis.
- Capital purchases will include an XRD alteration analyser, a handheld ground magnetometer, with Very Low Frequency (VLF) capabilities, for magnetic and resistivity mapping, various geological equipment and geological software.

## References

[1] JORC, 2012. Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code) [online]. Available from: http://www.jorc.org (The Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia).

[2] Google Earth, "Ordubad Contract Area," DigitalGlobe 2020. http://www.earth.google.com [January 2020].

[3] Azerbaijan International Mining Company, "Q3 2019 Ordubad Exploration Activity and Results". [Online]. Available from: https://www.angloasianmining.com/wp-content/uploads/2019/11/Q3-2019-Exploration-Activities-Ordubad-FILE_5.pdf

[4] "Competent Person's report: Anglo Asian Mining PLC., Anglo-Suisse Capital Limited, Numis Securities Limited – Gold and Copper Projects, Azerbaijan", prepared by Behre Dolbear International Ltd., 26 July 2005, p. 176. Available from: http://www.angloasianmining.com/media/pdf/2005_AdmissionDocument.pdf.

[5] Azerbaijan International Mining Company, "H1 2019 Ordubad Exploration Activity and Results". [Online]. Available from: https://www.angloasianmining.com/wp-content/uploads/2019/09/h1-2019-exploration-activities-ordubad_uncompressed.pdf.

# Appendix A: Minimum Reporting Limits for Exploration Results

For gold assays, significant intersections were reported if samples graded ≥ 0.2 g/t Au.

For silver assays, significant intersections were reported if samples graded ≥ 15 g/t Ag.

For copper assays, significant intersections were reported if samples graded ≥ 0.2% Cu.

For zinc assays, significant intersections were reported if samples graded ≥ 0.4% Zn.

Should all assays for a sample or interval fall below all these values, the intersection is reported as 'NSI' ("no significant intersections").

# Appendix B: TR Details

| Trench Details* | | | | Length | Trench Details* | | | | Length |
|---|---|---|---|---|---|---|---|---|---|
| Trench I.D. | X | Y | Z | m | Trench I.D. | X | Y | Z | m |
| DAX01 | 587159 | 4317230 | 1963 | 8.40 | DAX25 | 586826 | 4317032 | 1861 | 5.60 |
| DAX02 | 587137 | 4317201 | 1996 | 10.60 | DAX26 | 586817 | 4317019 | 1864 | 9.80 |
| DAX03 | 587123 | 4317188 | 1984 | 5.00 | DAX27 | 586796 | 4317009 | 1861 | 4.40 |
| DAX04 | 587120 | 4317174 | 1972 | 4.20 | DAX28 | 586785 | 4316983 | 1864 | 4.40 |
| DAX05 | 587103 | 4317178 | 1975 | 4.70 | DAX29 | 587089 | 4317013 | 1895 | 4.10 |
| DAX06 | 587089 | 4317173 | 1986 | 13.30 | DAX30 | 587108 | 4317006 | 1916 | 4.15 |
| DAX07 | 587078 | 4317180 | 1993 | 6.60 | DAX31 | 587122 | 4316997 | 1910 | 4.10 |
| DAX08 | 587066 | 4317170 | 1968 | 11.70 | DAX32 | 587119 | 4316990 | 1909 | 4.15 |
| DAX09 | 587060 | 4317146 | 1899 | 12.70 | DAX33 | 586980 | 4316721 | 1875 | 4.20 |
| DAX10 | 587030 | 4317143 | 1939 | 5.10 | DAX34 | 586961 | 4316704 | 1865 | 9.00 |
| DAX11 | 587005 | 4317143 | 1939 | 10.90 | DAX35 | 586939 | 4316681 | 1869 | 4.50 |
| DAX12 | 586990 | 4317145 | 1882 | 18.60 | DAX36 | 586921 | 4316672 | 1859 | 4.40 |
| DAX13 | 586971 | 4317129 | 1917 | 10.20 | DAX37 | 586917 | 4316662 | 1858 | 6.60 |
| DAX14 | 586959 | 4317107 | 1914 | 7.40 | DAX38 | 586916 | 4316646 | 1853 | 4.90 |
| DAX15 | 586937 | 4317091 | 1917 | 5.00 | DAX39 | 586906 | 4316643 | 1850 | 10.20 |
| DAX16 | 586932 | 4317105 | 1919 | 4.40 | DAX40 | 586821 | 4316651 | 1802 | 4.50 |
| DAX17 | 586921 | 4317091 | 1874 | 4.70 | DAX41 | 586815 | 4316658 | 1812 | 5.70 |
| DAX18 | 586914 | 4317104 | 1888 | 4.40 | DAX42 | 586801 | 4316642 | 1810 | 9.30 |
| DAX19 | 586903 | 4317085 | 1889 | 5.60 | DAX43 | 586787 | 4316627 | 1808 | 5.60 |
| DAX20 | 586886 | 4317094 | 1894 | 8.60 | DAX44 | 586742 | 4316607 | 1789 | 3.50 |
| DAX21 | 586882 | 4317082 | 1880 | 7.80 | DAX45 | 586770 | 4316617 | 1763 | 9.40 |
| DAX22 | 586869 | 4317076 | 1873 | 4.70 | DAX46 | 586725 | 4316586 | 1766 | 8.20 |
| DAX23 | 586857 | 4317066 | 1816 | 5.60 | DAX47 | 586665 | 4316642 | 1762 | 4.20 |
| DAX24 | 586843 | 4317054 | 1836 | 6.90 | DAX48 | 586662 | 4316647 | 1766 | 4.50 |

*handheld GPS

# Appendix C: JORC Code, 2012 Edition – Table 1

## Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| *Sampling Techniques* | • *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* | **Ordubad Contract Area ("CA") -**<br><br>**Ordubad Regional:**<br><br>• The National History Museum ("NHM") visited Ordubad in November 2019 for CA review for the 'From Arc Magmas to Ores' ("FAMOS") project. Results will be shared with AIMC once study is completed.<br>• Outcrop ("OC") sampling was conducted during the field visit; samples were collected and shipped to the museum in London for analysis.<br><br>**Aylis**<br><br>• Surface geological (lithological, alteration, mineralisation and structural) mapping was conducted over Aylis during Q4 (2.0 $km^2$). Data collected was recorded onto blank hardcopy maps of the region.<br>• Trench ("TR") sampling was conducted; 363 samples were collected from 326.50 m of trench. In total, 48 trenches were dug. The programme is continuing into Q1 2020, when weather permits access.<br>  ○ TR sampling was carried out via chipping material exposed in dug channels with a rock hammer. A mass of 2-3 kg was targeted for each sample – unlike other trenches from other CAs explored by AIMC, the material was dominantly rock, so large masses of sample was not required.<br>  ○ TR length was dependent upon the ease of digging. Typical sample interval length was 1.0 m unless geology warranted constraints.<br>  ○ During collection, sample analysis was carried out by the geologist(s) present. Geology (lithology, alteration and mineralisation) were recorded |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | | into field notebooks and transferred to the Ordubad Exploration database once access to a computer was available. This was verified by the Exploration Manager prior to submission to the onsite laboratory.<br>○ Upon collection of a sample, its location was obtained via GPS and subsequently uploaded into Google Earth® for verification.<br>○ Verification was both visual and through use of a handheld XRF machine (model THERMO Niton XL3t GOLD+). Sample and geological information was recorded into the AIMC geological database. Results from XRF analysis were also uploaded to the database.<br>○ Once completed, geological mapping was transferred from hardcopy sheets into digital format through entry into ArcGIS®. |
| | • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* | • All TR samples were weighed to ensure representative sampling of the rock.<br>• Samples collected by NHM were not subject to restrictions as they were sourced for academic study.<br>• The XRF equipment is calibrated by AIMC on a monthly basis using THERMO-supplied CRMs (this equates to calibration every 150-200 samples). The equipment supplier also conducts annual calibration on the machine. |
| | • *Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed* | • A mass of 2-3 kg was targeted for each TR sample to minimise the risk of sample bias that may be introduced at the laboratory. Pulverisation at the AIMC laboratory produced 50 g charges, ready for primary Atomic Absorption ("AAS") analysis and check Fire Assay ("FA").<br>• TR samples were sent to the AIMC laboratory for Au, Ag, Cu and Zn assaying (all XRF). |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | *information.* | |
| *Drilling techniques* | • *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).* | • No drilling of any form was completed over the Ordubad CA during Q4 2019. |
| *Drill sample recovery* | • *Method of recording and assessing core and chip sample recoveries and results assessed.* | • TR sample recoveries were not able to be assessed however sample weights were recorded prior to laboratory processing. |
| | • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* | • Not applicable as methods relying on sample recovery not utilised during Q4 2019. |
| | • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.* | • As above. |
| *Logging* | • *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* | • All TR material was logged by the AIMC exploration geology team.<br>• As the Aylis project is in early-exploration, the level of detail is not appropriate to support Mineral Resource estimation, mining studies or metallurgical studies. |
| | • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* | • N/A |
| | • *The total length and percentage of the relevant intersections logged.* | • All TR sample material collected was logged for lithology, alteration and mineralisation. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| *Sub-Sampling Techniques and Sample Preparation* | • *If core, whether cut or sawn and whether quarter, half or all core taken.* | • No diamond core was drilled over Ordubad during Q4 2019. |
| | • *If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry* | • Primary material for the TR programme will be processed onsite for crushing, grinding and splitting the samples. All samples are dry. |
| | • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* | • Industry-standard sample preparation is conducted under controlled conditions within preparation laboratory. Sample preparation methods are considered appropriate for the sample types submitted. |
| | • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* | • All samples were weighed prior to laboratory submission to ensure representivity of samples.<br>• The Azeri company contracted to complete sample preparation for the TR study will be monitored by AIMC geologists to ensure that they adhere to industry standards. The equipment to be employed onsite was manufactured by RockLabs® and is < 1 year old. |
| | • *Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling.* | • No TR field duplicates were taken due to the reconnaissance nature of the sampling. |
| | • *Whether sample sizes are appropriate to the grain size of the material being sampled.* | • Sample sizes are considered appropriate to the grain size of the material and style of mineralisation and analytical techniques, based on data obtained from the Gedabek CA. Study is being conducted to determine if these sample sizes are appropriate, specific to Ordubad. |
| *Quality of Assay Data and Laboratory Tests* | • *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* | • Although collected in the Ordubad CA, TR material will be analysed via XRF onsite and then submitted to the Gedabek CA for analysis at the AIMC site laboratory.<br>○ Sample preparation is completed at Ordubad. Samples are pulverised to -75 µm to produce 50 g charges for primary AAS at Gedabek – this is considered |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | | appropriate for the material presented.<br>○ Prior to submission to Gedabek, XRF analysis of the pulp material occurs.<br>○ Laboratory procedures, QAQC assaying and analysis methods employed are industry standard. They are enforced and supervised by a dedicated laboratory team. AAS techniques are being utilised - as such, both partial and total analytical techniques were conducted.<br>○ The Gedabek laboratory has QAQC protocols in place and uses an external control laboratory. Calibration of the analytical equipment at Ordubad and in the laboratory is considered to represent best practice. |
| | • *For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* | • Calibration of the THERMO Niton XL3t GOLD+ is carried out annually by the manufacturer, when the machine is submitted for servicing.<br>○ The XRF is calibrated by AIMC on a monthly basis using THERMO-supplied CRMs (this equates to calibration every 150-200 samples).<br>○ Read-times for the machine total 88 seconds (minimum).<br>• Calibration of the analytical equipment in the laboratory is considered to represent best practice. |
| | • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.* | • Monitoring of QAQC data is conducted after each assay return from the laboratory. All assay data presented as part of this Q4 2019 exploration report passed QAQC protocols.<br>• Internal laboratory QAQC checks are regularly conducted and reviewed by staff. AIMC geologists also conduct reviews on the laboratory QAQC data.<br>○ Laboratory control comprises of pulp duplicates and coarse duplicates. |
| *Verification of Sampling and Assaying* | • *The verification of significant intersections by either independent or alternative company personnel.* | • Intersections (from the remainder of the Dirnis and Keleki drilling from H1) were defined and verified by K. Matthews, Project Geologist.<br>• Assay intersections were cross validated with visual drill core intersections (i.e. photographs). |
| | • *The use of twinned holes.* | • No twin holes were drilled during Q4 2019. |
| | • *Documentation of primary data, data* | • Data entry is supervised by a data manager. Verification and checking |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | *entry procedures, data verification, data storage (physical and electronic) protocols.* | procedures are in place. The format of the data is appropriate for direct import into Datamine® software. All data are stored in electronic databases within the geology department and backed up to the secure company electronic server – access is restricted.<br>• AIMC laboratory data are loaded electronically by the laboratory department and validated by the geology department. Any outliers or anomalous assays are resubmitted.<br>• ALS laboratory data are loaded electronically by the Ordubad exploration geology team and validated by the geology department at Gedabek. Any outliers or anomalous assays are restricted and interrogated. |
| | • *Discuss any adjustments to assay data.* | • No adjustments were made to the assay data except for where results fell below detection limit.<br>○ When entering these data into the database, these values were set to half the detection limit of the equipment being utilised. For the XRF, this was 0.025 ppm for Au (rounded to 2 d.p. in this report), 5 ppm for Ag and Cu/Zn were both 0.001% (or 10 ppm). As stated in the main body of the report, Cu grades were manually converted from ppm to % for presentation. |
| *Location of Data Points* | • *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* | • All sample locations were collected by the field exploration geologist through the use of a handheld GPS. These were verified when uploaded to ArcGIS® software. |
| | • *Specification of the grid system used.* | • The grid system used for the Ordubad CA is Universal Transverse Mercator WGS 84 Zone 38N (Azerbaijan). |
| | • *Quality and adequacy of topographic control.* | • The most recent satellite imagery was from and obtained via Google Earth®. WorldView-3® remote sensing satellite imagery was obtained over the central region of the Ordubad CA in August 2019 and a digital terrain model is currently being tested for internal use. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | | • A detailed topographic survey of the entire CA has not been carried out at this stage. |
| *Data Spacing and Distribution* | • *Data spacing for reporting Exploration Results* | • TR sampling was not subject to grid sampling due to its requirement to target mapped veins. |
| | • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resources and Ore Reserve estimation procedure(s) and classification applied.* | • Orientation-based sampling as applicable to geochemical sampling cannot be established. |
| | • *Whether sample compositing has been applied.* | • No sample compositing has been applied. |
| *Orientation of Data in Relation to Geological Structure* | • *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* | • As only surface sampling was completed over the Ordubad CA during Q4 2019, no orientation-based bias of sampling was possible. |
| | • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.* | • Orientation-based sampling as applicable to TR sampling cannot be established. |
| *Sample Security* | • *The measures taken to ensure sample security.* | • Chain of custody of samples is managed by AIMC.<br>• As the Ordubad CA is in the Nakhchivan exclave of Azerbaijan and Q4 samples need to be shipped to the Gedabek CA (the location of the "onsite" laboratory), additional measures are employed to ensure sample security.<br>• Regarding TR samples:<br>  ○ Each TR sample is collected in its own calico sample bag, assigned a sample I.D. and logged on a sample sheet. These are collected and retained by the |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | | AIMC exploration geologist(s) and stored in the Ordubad AIMC camp until ready for sample preparation site (carried out onsite by a contractor). Once sub-sampling is complete, pulverised material is collected in individual geochemical paper bags and assigned the same sample I.D. as the primary sample with an appropriate suffix. Once analysed onsite via XRF, they are submitted, an "act" created (listing samples for submission and analysis) and freighted to the Gedabek laboratory for AAS analysis.<br>• Once samples are received at Gedabek, the act is signed by the core facility supervisor prior to sample preparation. The samples are cross-checked, and the responsible person countersigns the order, acknowledging full delivery of the samples.<br>• After assaying, all reject duplicate samples are placed into boxes referencing the sample identities and stored in the core facility.<br>• Hence, a chain of custody procedure is followed TR sample collection to assaying and storage of reference material. |
| *Audits or Reviews* | • *The results of any audits or reviews of sampling techniques and data.* | • For this early-stage exploration over the Ordubad CA, no external audits of reviews of sampling techniques and data has been completed.<br>○ It should be noted that across all the CAs held by AAM, sampling techniques and data collection processes are identical and baseline for the AIMC Geology department.<br>○ Audits and reviews of the sampling techniques and data were completed, most recently by Datamine® in 2018, for the Gedabek and Gadir operating projects within the Gedabek CA.<br>○ The techniques were deemed to be in-line with industry standards and so, by extrapolation, the techniques employed over the Ordubad CA may also be considered such until an external review is conducted. |

## Section 2 Reporting of Exploration Results

(Criteria in this section apply to all succeeding sections.)

| Criteria | JORC Code Explanation | Commentary |
|---|---|---|
| *Mineral Tenement and Land Tenure Status* | • *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings* | • The region covered during geological mapping in Q4 2019 are located within the Ordubad CA.<br>• The CA is governed under a Production Sharing Agreement ("PSA"), as administered by the Azerbaijan Ministry of Ecology and Natural Resources ("MENR").<br>  ○ The PSA grants the Company a number of 'time periods' to exploit defined CAs, as agreed upon during the initial signing. The period of time allowed for early-stage exploration of the CAs to assess prospectivity can be extended if required.<br>  ○ A 'development and production period' commences on the date that the Company issues a notice of discovery, which runs for 15 years with two extensions of five years each, at the option of the Company. Full management control of mining in the CAs rests with AIMC.<br>  ○ The Ordubad CA currently operates under this title.<br>  ○ Under the PSA, AAM is not subject to currency exchange restrictions and all imports and exports are free of tax or other restriction. In addition, MENR is to use its best endeavours to make available all necessary land, its own facilities and equipment and to assist with infrastructure.<br>• At the time of reporting, the Ordubad CA does not lie within any official national park boundary however a small area of ecological interest around the Misdag deposit is subject to confirmation. At the time of reporting, no known impediments to obtaining a licence to operate in the area exist. The PSA covering the Ordubad CA is in good standing. |
| | • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to* | • At the time of reporting, no known impediments to obtaining a licence to operate in the area |

| | | |
|---|---|---|
| | *operate in the area.* | |
| *Exploration Done by Other Parties* | • *Acknowledgement and appraisal of exploration by other parties.* | • Previous exploration was carried out by Soviet geologists over the Ordubad CA.<br>• Exploration work carried out over this included:<br>  ○ Extensive geological mapping<br>  ○ Numerous trench workings<br>  ○ Exploration drilling<br>  ○ Exploratory underground adits<br>• It should be noted that whilst a considerable amount of information exists, AIMC are in the process of reconciling observations as the reliability of the Soviet era data is questionable.<br>• Details and results of the work carried out during this time will not be presented here as it is commercially sensitive. |
| *Geology* | • *Deposit type, geological setting and style of mineralisation.* | • Various mineral occurrences have been identified within the Ordubad CA:<br>  ○ Au occurrences and prospects include Piyazbashi, Shakardara and Keleki<br>  ○ Dirnis hosts Cu-Ag mineralisation<br>  ○ Cu-Au prospects include Shalala, Diakchay and Agyurt.<br>  ○ Misdag and Destabashi are Cu-bearing finds<br>  ○ Kotam hosts cobalt and tungsten<br>• Ore mineral finds around the Ordubad CA are dominantly hosted in Lower Eocene volcanics or Middle Eocene/Upper Oligocene intrusive bodies. These plutonic units belong to the Megri-Ordubad Massif and includes gabbros, diorites, monzonites and syenites.<br>• Structurally, these occurrences also lie either within or adjacent to the NW/SE-trending 'Central Zone', bounded by the steeply dipping northern Ordubad Fault and southern Keleki Fault<br>  ○ The Shakadara find lies adjacent to the Keleki Fault<br>  ○ Piyazbashi, Keleki and Kotam sit inside the 'Central Zone'<br>  ○ Dirnis, Shalala, Diakchay, Agyurt, Misdag and Destabashi around located outside of this 'Central Zone'<br>• The fault system is believed to play a significant role in alteration and |

| | | |
|---|---|---|
| | | mineralisation distribution over the region<br>○ Dirnis, Destabashi and Shakardara lie within or adjacent to 'White Rock Alteration' zones<br>• A desk-study level report for the Ordubad CA, completed in accordance with the JORC Code (2012), is planned to be released in 2020 (provided source reports and data can be acquired) and all confirmed ore finds, and geological settings, will be detailed there. Due to the sheer size of the data set and continuing development of geological interpretation of the CA, the planned date of late-2019 could not be met. |
| *Drill Hole Information* | • *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*<br>○ *easting and northing of the drill hole collar*<br>○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*<br>○ *dip and azimuth of the hole*<br>○ *down hole length and interception depth*<br>○ *hole length.* | • All the drill information from the Dirnis and Keleki programmes were provided in [5], upon completion of the programme.<br>• Drill hole collar coordinated, dips, azmiuths, down-hole sample lengths and EOH depths are recorded in the Ordubad drilling database. |
| | • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.* | • No information has been excluded. No further assay results are outstanding from the H1 DD programmes<br>• Results are outstanding from the TR study and will be reported in the Q1 2020 exploration report where available. |
| *Data Aggregation Methods* | • *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material* | • All intercepts have been reported as down-hole intercepts and reported to two decimal places (g/t and %) or zero decimal places (ppm).<br>• Downhole weighted averaging has been applied for all drill holes where consecutive assay grades are returned above reportable limits (Appendix A) |

| | | |
|---|---|---|
| | *and should be stated.* | and are presented in the main body of the report.<br>• The reportable minimum grade limits are provided in Appendix A – should a sample intersection return a result below all these values, the sample/interval has been assigned an 'NSI' value ("no significant intersections").<br>• No cutting of high grades was carried out.<br>• No cut-off grades were applied as all projects are in early-stage exploration. |
| | • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* | • Not applicable. |
| | • *The assumptions used for any reporting of metal equivalent values should be clearly stated.* | • No metal equivalent values were used in the calculation and reporting of exploration results. |
| *Relationship Between Mineralisation Widths and Intercept Lengths* | • *These relationships are particularly important in the reporting of Exploration Results.* | • Mineralisation intercepts are reported as down-hole lengths as measured along the drill hole trace. |
| | • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* | • The geometry of the mineralisation at depth with respect to the drill hole angle has not been confirmed yet through drilling. |
| | • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').* | • Mineralisation widths are reported as down-hole lengths at this point in time. The true width of the ore find is currently unknown as the project is in early-stage exploration. |
| *Diagrams* | • *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.* | • Relevant diagrams are provided in the main body of the report. |
| *Balanced* | • *Where comprehensive reporting of all* | • AIMC are awaiting results for the 363 TR samples collected from Aylis. An |

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| *Reporting* | *Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.* | outline of the trenching details has been provided in the main body of the report and results will be provided during the next update, where available. |
| *Other Substantive Exploration Data* | • *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.* | • Further lithological, alteration and structural mapping was carried out over Ordubad, covering the Aylis region where the 2018 geochemical study was completed. Total mapped area during Q4 2019 was 2.0 $km^2$.<br>• Further regional exploration work is planned to be completed in Q1 2020, throughout the Ordubad CA (see below).<br>• A desk-study level report for the Ordubad CA, completed in accordance with the JORC Code (2012), is planned to be released in 2020, once the total data set has been obtained and analysed. |
| *Further Work* | • *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.* | Given the mineral potential of the Ordubad CA, a programme of work was developed to further understand the overall geological framework of the mineralisation genesis and to begin to follow up on the previously reported geology. Outstanding and continuing work into 2020 include the following:<br>• Obtaining, translating and reviewing of primary historical geology, exploration and technology reports (ongoing).<br>• NHM follow-up fieldwork to include mapping, geochemical data interpretation, drill core interpretation and additional sampling. The preparation of a new geological map for the Ordubad CA is planned for Q1 based on the WorldView-3® remote sensing satellite imagery, the AIMC geochemical results and field mapping sheets.<br>• Further WorldView-3® remote sensing satellite imagery is to be considered covering the area where data were not collected in the first acquisition.<br>• Surface geological mapping, sampling and trenching:<br>  ○ Further work is planned to focus around Aylis-Dirnis-Keleki-Urchurdag. 1,000 m of trenching, 200 stream sediment sampling points, 600 outcrop samples and 2,500 litho-geochemical analyses have been budgeted. |

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| | | • A ground based induced polarisation (IP) geophysics survey is also budgeted.<br>• A provisional total of 7,200 m of drilling is planned is the area between Shakardara and Pyazbashi, Aylis, and copper targets near Dirnis.<br>• Capital purchases will include an XRD alteration analyser, a handheld ground magnetometer with Very Low Frequency (VLF) capabilities, for magnetic and resistivity mapping, various geological equipment and geological software. |