



# ANGLO ASIAN MINING PLC

## Gold, copper and silver production in Azerbaijan

AIM: AAZ

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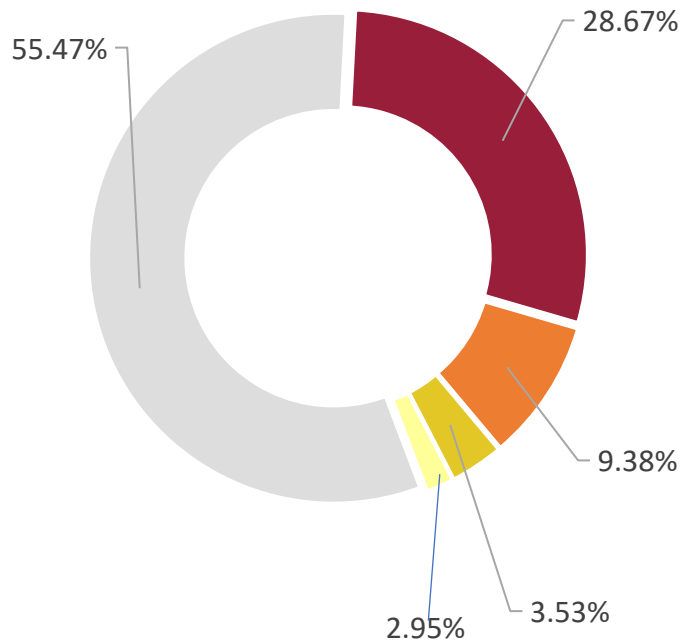
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The information on reserves and resources included in this presentation has been extracted from RNS announcements dated 14 March 2019 (“Gedabek Open Pit – JORC Mineral Resources and Reserves”), 14 March 2019 (“Maiden JORC Mineral Resources and Ore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

# 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\***

**127.0p**

**Market Cap**

**£152m**

There are no share options / warrants outstanding

\*Closing price 29 September 2020



# 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

**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

# 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

Over 1,000 sq km of land under concession  
Exploration focusing on 5 discoveries at Gedabek  
Exploration also at Gosha and Ordubad  
Recently announced Joint Venture in Ireland with Conroy Gold



## Well Positioned

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

# Our Portfolio in Azerbaijan

A diversified portfolio of mines and processing facilities.....

## Gosha Contract Area

### Gosha Underground Mine

Located 50 kilometres from the  
Gedabek contract area

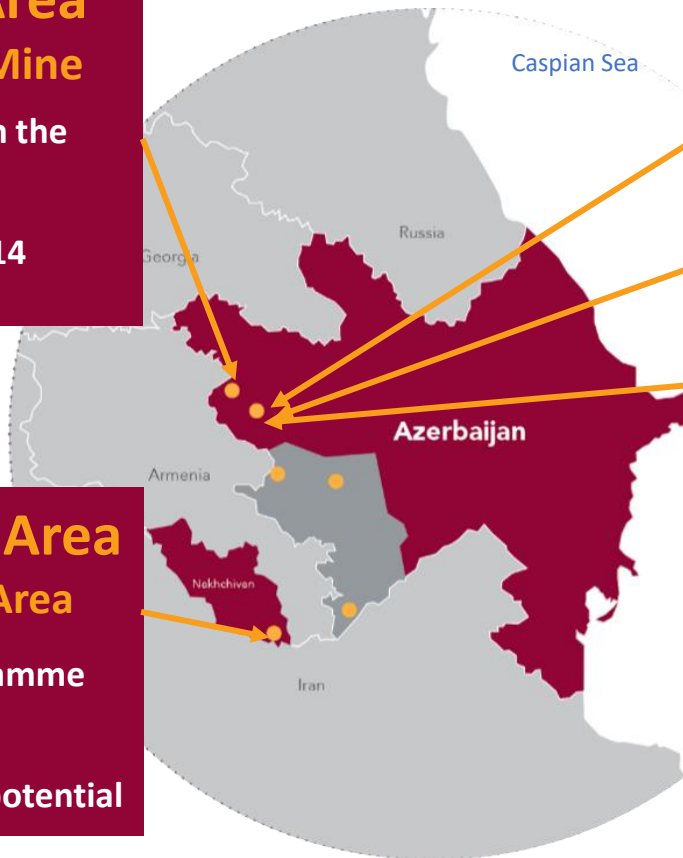
Producing gold since 2014

## 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

### Gedabek Underground

Decline now being developed into  
ore body below Gedabek open pit

### 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



Concession in disputed territories – currently no activity.

# Gedabek and Gosha

## A diversified portfolio of mines and processing facilities...

### Gedabek Open Pit \*

- Original Gedabek mine; producing gold since 2009
- 0.5m tonnes of ore at 0.91 g/t gold mined in H1 2020\*\*



### Gadir Underground Mine\*

- Commenced production in 2015
- 47k tonnes of ore at 2.55 g/t gold mined in H1 2020\*\*



### Gedabek Underground

- Portal opened and decline under construction
- Ore extraction in Q4 2020 gold grades of ~ 2.5 g/t



### Gosha Underground Mine

- Company's first underground mine
- 5k tonnes of ore at 2.50 g/t gold mined in H1 2020\*\*



### Agitation Leaching†

- Similar to CIL except uses resin not carbon
- Processed 324k tonne of ore of average grade 2.24 g/t in H1 2020\*\*



### Flotation Processing

- Produces concentrate from copper rich ore
- Treated 259k tonne of ore containing 1,384 tonne of copper in H1 2020\*\*



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

# Gedabek - Tailings Dam Facility

Constructed downstream to a high specification from hard rock...

- Constructed to the highest specification from hard rock
- Downstream construction & lined with geo-membrane
- Maintenance and supervision by one company since construction
- Inspected by Knight Piésold – leading environmental engineers - in June 2019. Concluded dam was properly constructed, showed no signs of instability and seepage was properly controlled. Various minor recommendations have been carried out
- 6 metre raise of dam wall carried out in 2020 to increase capacity by 1.4m cubic metres. Sufficient capacity for next 2 years
- Dam has now reached final design height. Several sites for a new dam and alternative treatment options under consideration





# H1 2020\* Performance Summary



A six per cent year-on-year increase in revenues compared to H1 2019...

## H1 2020 Production

**32,501 GEOs**

H1 2019: 39,905 GEOs

## H1 2020 Revenue

**\$45.8 million**

H1 2019: \$43.3 million

## 30 June 2020 Cash Position

**\$29.2 million**

31 Dec 2019: net cash \$16.1 million  
(excluding cash in transit)

## H1 2020 Profit After Tax

**\$8.6 million**

H1 2019: \$6.6 million

## H1 2020 All-in Sustaining Cost

**\$743 per ounce**

H1 2019: \$603 per ounce

## 2020 Interim Dividend

**\$4.5 cents per share**

2019: \$3.5 cents per share

\* 6 months to 30 June 2020

# FY 2020\* Production Guidance

**Guidance maintained with a stronger second half of the year...**

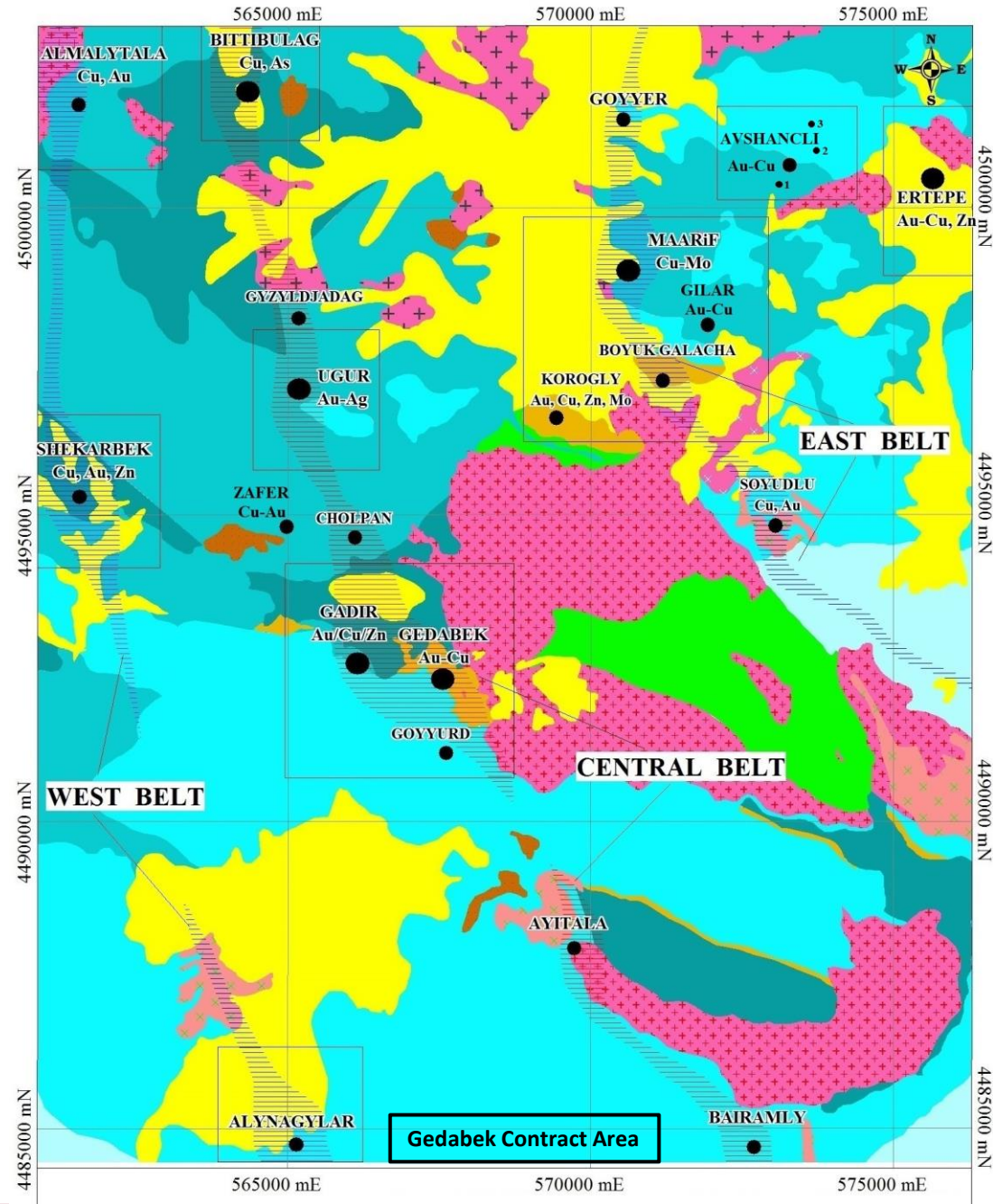
- Production guidance for FY 2020 of between 75,000 and 80,000 GEOs calculated using budgeted metal prices remains unchanged – stronger H2 2020 expected:
  - Q3 2020 production considerably improved compared to Q2 2020
  - Now reprocessing high residual gold grade previously heap-leached material
  - Decline to mine ore below Gedabek open pit under construction – ore extraction to begin in Q4 2020
  - COVID 19 restrictions recently been eased
  - Currently no adverse affects from latest escalation of dispute between Azerbaijan and Armenia

Metal	FY 2020 Forecast	FY 2019 Actual	FY 2018 Actual	FY 2017 Actual
Gold (ounces)	65,000 - 67,000	70,098	72,798	59,617
Copper (tonnes)	2,200 - 2,400	2,210	1,645	1,991
Silver (ounces)**	-	159,356	210,184	172,853

# Gedabek Exploration

## Numerous targets identified at Gedabek.....

- Airborne geophysical survey of entire Gedabek contract area completed in 2018 – 3,385 kilometres of data acquired
- Results identified multiple promising and prospective mineral targets including:
  - 25 targets favourable for epithermal and porphyry mineralisation
  - Six magnetic targets consistent with porphyry systems
- Company is systematically following up on targets identified



# Current Exploration Priorities at Gedabek



Focused on fast tracking discoveries into production...

## Avshancli 1 and Avshancli 3

- Located in the north-east sector of Gedabek, 6.5 kilometres from processing facilities
- Potential for open pit mines producing gold-rich ore for leaching and copper-rich ore for flotation with production potentially commencing in 2022

## Gilar

- Located in the north-east sector of Gedabek close to Avshancli area
- Gold in quartz on surface with underlying copper
- Open pit mine anticipated, but further exploration required before exploitation, with potential production in 2023

## Ugur Deeps

- Located close to the south-east flank of the Ugur mine
- Potential underground mine with portal access from the valley - existing infrastructure and road access of the Ugur mine will facilitate development.
- Good copper grades at depth encountered - potential production from 2023

## Zefer Cell 9

- Located 600 metres west of the leach pad processing facility
- Very favourable geology on the mineralisation trend of the existing open pit mine with production possible from 2024
- Latest drill hole showed 130m continuous mineralisation – 114m 0.67 g/t Au and 0.5% Cu



# Development Timeline of Current Priorities

Production from new discoveries before end of current mine life.....

Anticipated time to bring new discoveries into production

Discovery	Year					
	2020	2021	2022	2023	2024	2025
Avshancli 1				<i>Production commences Q2/Q3 2022</i>		
Avshancli 3				<i>Production commences Q3 2022</i>		
Gilar				<i>Production commences Q1 2023</i>		
Ugur Deepes				<i>Production commences Q1 2023</i>		
Zefer Cell 9						<i>Production</i>



Exploration      Mine construction

Extending life of existing mines through near mine development

Mine extension	Year			
	2020	2021	2022	2023
Gadir extensions				<i>Production commences Q1</i>
Gadabek Underground				<i>Production commences Q1</i>
Gosha "Zone 5"				<i>Production commences Q1</i>



Exploration      Mine construction

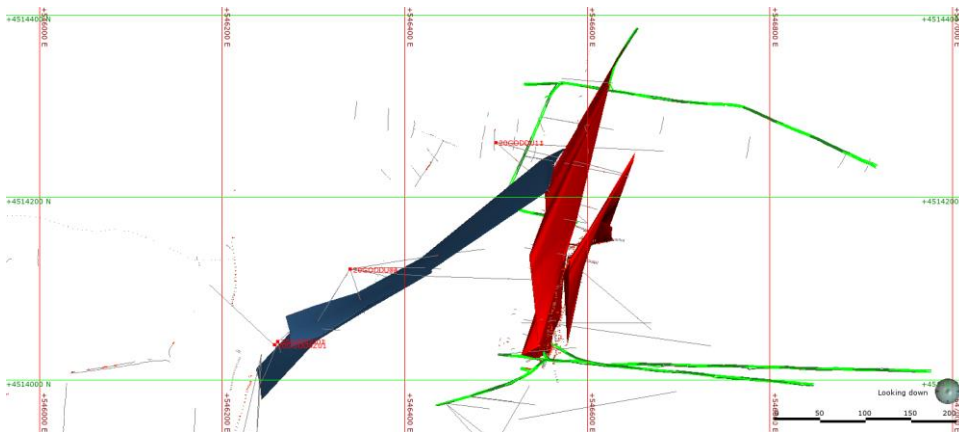


# Gosha – an Underexplored Region

Several new mineral occurrences discovered including polymetallic....

- Several new mineral occurrences identified both near mine and regional (Asrikchay polymetallic) – new geological map produced
- New gold vein system and mineralisation at depth below an adit of the existing underground mine
- 4,500 metres of core drilling programme defined new very high gold grade vein system - narrow vein in altered clays similar to the existing mine
- Further drilling and trial mining in 2021

New vein system (blue) identified by 2020 drilling



## Typical intersection (drill hole GODDC02)

75.65-83.00 m – silicified andesite porphyry with intensive pyrite veinlets. 193.30-195.50 m

**Au = 5.04 g/t; Ag = 13.00 g/t; Cu = 0.06%**



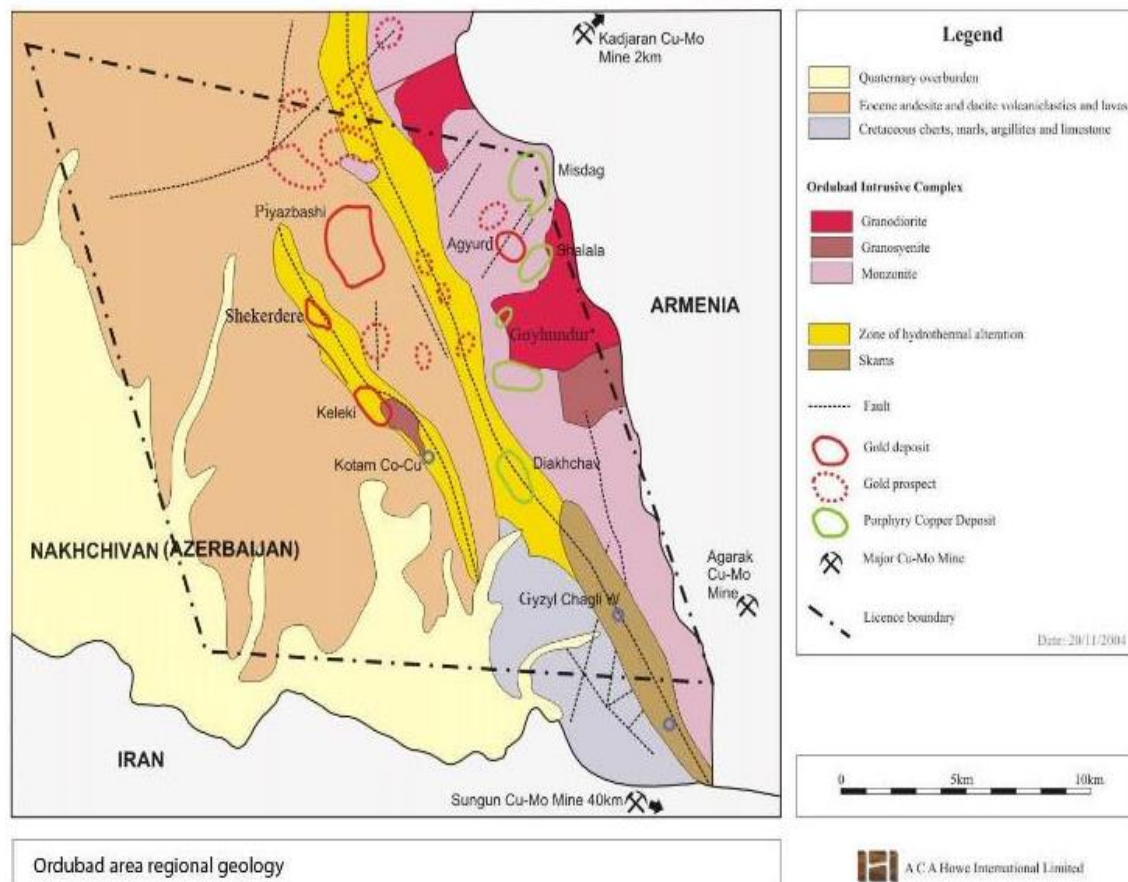
## Latest high grade gold intersections

Drill hole	From (m)	To (m)	Int (m)	Au g/t
20GODDU13-150	85.4	86.0	0.6	9.98
20GODDU13-151	86.0	86.3	0.3	5.14
20GODDU11-96	81.3	81.6	0.3	56.58
20GODDU11-97	81.6	82.7	1.1	3.05

# 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

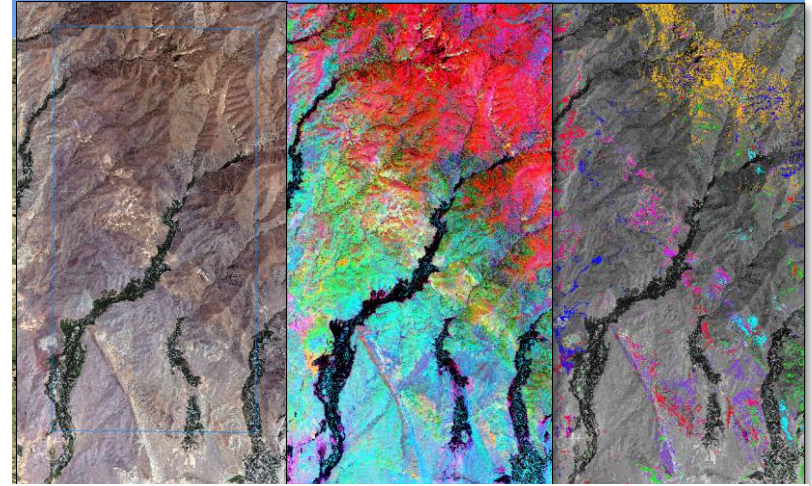




# Ordubad Exploration Programme

## And an untapped value opportunity...

- Exploration is focusing 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 is 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 has taken place
- 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





# Conroy Gold Joint Venture

**Designed to minimise risk to Anglo Asian Mining shareholders...**

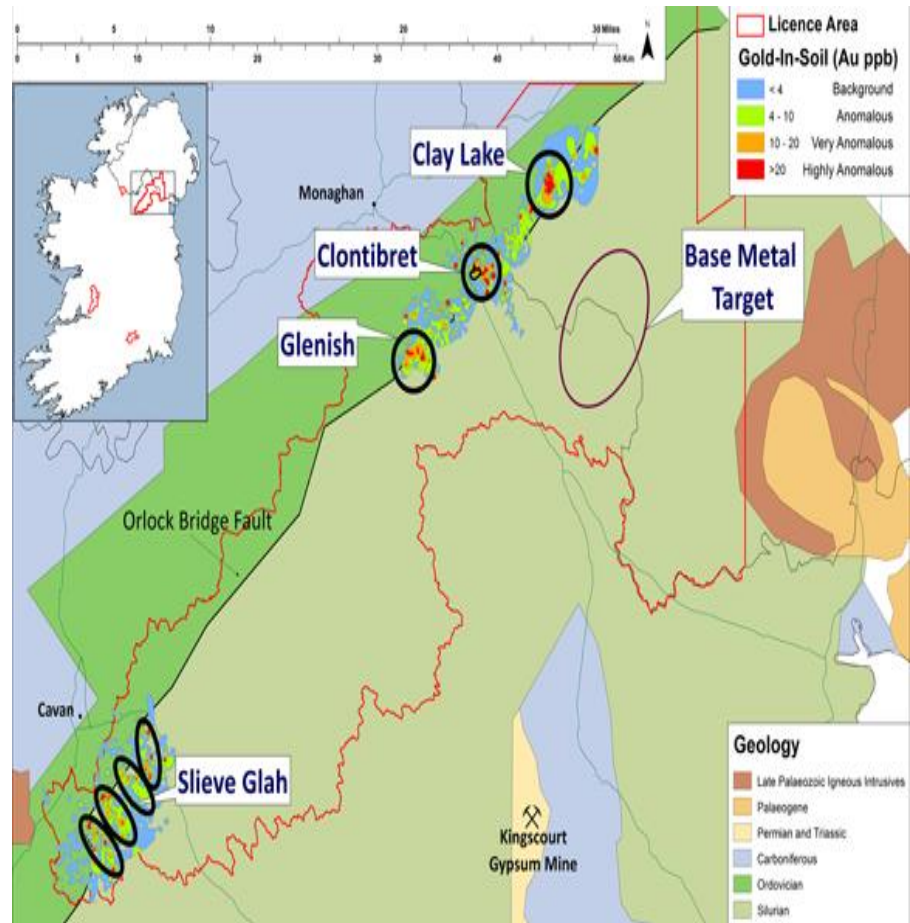
- Transaction designed to “ring fence” Anglo Asian’s expenditure from Conroy Gold’s corporate activities
- Licences will be in 3 “clean” special purpose Joint Venture companies each holding various licences:
  - Company 1 the Clontibret licence
  - Company 2 the remaining Republic of Ireland licences
  - Company 3 the Northern Ireland licences
- Anglo Asian will acquire 17.5 per cent. of the 3 companies on signing the Joint venture agreement
- Percentage of companies held at end of “stage one” (initial exploration) depends upon Anglo Asian’s funding of the 3 companies:
  - < €2m → 0% (ownership reverts to Conroy Gold)
  - €2m to €4m → Between 17.5% to 25% pro-rata depending on the amount of expenditure
  - ≥ €4m → 25%
- Anglo Asian’s ownership interest will increase to 55% if it commits to “stage two” expenditure including various expenditures to bring Clontibret to “Construction Ready” Status
- Anglo Asian can elect to proceed to “stage two” and develop Clontibret after only €2m of expenditure
- Committee under the control of Anglo Asian Mining will manage the joint ventures

# Longford Down Massif Gold Project

Three significant gold targets in over 800 square kilometres in a major gold district...

**The Longford Down Massif Gold Project boasts three significant gold targets covering over 800 square kilometres in a major gold district**

- Clontibret - an existing JORC Resource of over 500,000 ounces of gold
- Clay Lake - a gold target that extends for two kilometres by one kilometre and lies at the north-eastern end of the 40 mile Longford Down gold trend
- An additional 8.8m ounces of gold exploration targets in the Longford Down trend providing significant upside potential



**In line with the Company's growth strategy, the project will complement the Company's existing pipeline of projects in Azerbaijan, adding significant shareholder value**

# Investment Case



## CASH GENERATIVE

Highly cash generative with no debt

## FIRST MOVER ADVANTAGE

Only listed miner in Azerbaijan

## LOW COST

Operations in the lowest quartile of the cost curve

## INTERIM 2020 DIVIDEND

2020 Interim dividend of US 4.5 cents per share

## FAST TRACK ABILITY

Several discoveries now being explored with production in 2022

## GROWTH POTENTIAL

Clear, defined strategy  
First overseas venture underway - Ireland

## EXPERIENCED TEAM

Highly qualified team with strong in-country relationships

## FY PRODUCTION GUIDANCE

75,000 - 80,000 gold equivalent ounces maintained



# Contacts

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# 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

Reserves (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 – 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 4 – Longford Down Massif



Resource & Reserves (classified according to the JORC Code)

Indicated			Inferred			Total		
Tonnes	Au (g/t)	Ounces	Tonnes	Au (g/t)	Ounces	Tonnes	Au (g/t)	Ounces
4,926,900	1.64	259,956	6,782,800	1.56	341,148	11,709,700	1.6	601,104

Prepared by Tetra Tech according to Australasian Joint Ore Reserve Committee (JORC) Guidelines as part of the scoping study

# 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**