

30 March 2023

Anglo Asian Mining plc

Strategic plan for transformation to mid-tier copper and gold production

Anglo Asian Mining plc ("Anglo Asian" or the "Company"), the AIM listed gold, copper and silver producer primarily focused in Azerbaijan, is pleased to announce details of its strategic plan for growth.

Highlights

- Well-defined strategy to more than double production in the next five years with the Company transitioning to a multi-asset, mid-tier copper and gold producer by 2028
- The Company forecasts total production increasing by 30 to 50 per cent. to 70,000 to 75,000 gold equivalent ounces for 2024 and 2025 (copper equivalent of 15,000 to 15,500 tonnes)
- Copper equivalent production increasing to approximately 36,000 plus tonnes per annum (gold equivalent of 175,000 ounces) from 2028
- Production growth delivered through the sequential opening of four new mines in Azerbaijan
- Copper, a critical metal for the energy transition to net zero, expected to become the principal product of the Company from 2026
- Positive cash-flow, current cash and an undrawn \$32 million debt facility to support near to medium term capital expenditure requirements
- Growth strategy underpins the continued commitment to deliver attractive returns to shareholders

Production targets for 2023 to 2028

Anglo Asian anticipates production of between 50,000 to 54,000 gold equivalent ounces for 2023 (see RNS announcement dated 23 February 2023). The Company's anticipated production targets for 2024 to 2028 in its strategic plan for growth are tabulated below. Detailed production guidance will be given as mine development progresses.

Years	Production target*	
	Gold equivalent ounces	Copper equivalent tonnes**
2023	c. 50,000 to 54,000	c. 10,300 to 11,200
2024 and 2025	c. 70,000 to 75,000	c. 15,000 to 15,500
2026 and 2027	c. 115,000 to 125,000	c. 24,000 to 26,000
2028	c. 175,000	c. 36,000

* Anglo Asian's share of the production tabulated above is based on its Production Sharing Agreement ("PSA"), further details of which are set out below.

**Copper equivalent calculated at \$1,650 per ounce of gold and \$8,000 per tonne of copper.

Reza Vaziri, Chief Executive Officer of Anglo Asian, commented:

"This is an exciting time for Anglo Asian. We have devised a strategic plan for growth to drive the Company to multi-asset, mid-tier producer status. This focuses on a very substantial increase in copper production, augmented by our on-going significant gold and silver production. We have an ambitious, but realistic, plan to deliver this through sequential asset development and the opening of four new mines in Azerbaijan over the next five years."

"Our upcoming increased copper exposure is timely and value-accretive. Copper is a critical metal for the energy transition to net zero that is expected to benefit from increased demand as the move towards electrification intensifies."

"Critically this plan will deliver long term, sustainable value to all our stakeholders. We look forward to updating the market on our progress as we embark on this exciting and ambitious path to growth."

Investor presentation

The Company will provide an online investor presentation via Investor Meets Company on

31 March 2023 at 12:00pm BST. Further details and registration are available at:

<https://www.investormeetcompany.com/anglo-asian-mining-plc/register-investor>

A copy of the investor presentation will be available on the Company's website:

<https://www.angloasianmining.com/>

Strategic plan for growth

The Company has a strong track record of developing and operating mines in Azerbaijan, consistently meeting production guidance and delivering dependable shareholder returns while maintaining a robust balance sheet.

Having assembled a portfolio of high-quality production and development assets, the Company is well positioned to establish a significant copper-gold mining district in the Gedabek region in Azerbaijan, supplemented by other in-country assets and overseas investments.

In July 2022, Anglo Asian was awarded the Garadag and Xarxar licences. These assets underpin the Company's new strategic plan for growth. Since September 2022, when the Company received the historical geological data relating to Garadag and Xarxar, it has undertaken extensive analysis of the assets and the opportunities and options for their development.

The strategy has two phases of growth. In Phase 1 ('Transition'), production at the currently operating Gedabek and Gadir mines will be managed to maximise their output as they come

to the end of their expected mine lives. Concurrently, the Company plans to bring into production during 2023 to 2026 three new mines at Zafar, Gilar and Xarxar.

Phase 2 (‘Transformation’) builds on this growth with the development of Garadag. The Company assesses Garadag to have the potential to produce over 300,000 tonnes of copper (see RNS announcement dated 27 March 2023). The Company forecasts Garadag commencing production in 2028.

The strategy anticipates that the contribution of copper production to the Company’s revenue will exceed that of gold doré from 2026. The overall value of metal output is expected to more than double from 2023 to 2027 and could treble by 2028.

Mine development schedule to deliver strategic plan

Project	Metal	Contract (licence) area	Estimated mine commissioning date
Zafar	Copper-gold+zinc	Gedabek	2023/24
Gilar	Copper-gold	Gedabek	2023/24
Xarxar	Copper	Xarxar	2026
Garadag	Copper	Garadag	2027/28

Production Sharing Agreement (“PSA”) with the Government of Azerbaijan

The exploration period for each mining property located in a contract area of the PSA commences upon approval by the Government of Azerbaijan (the “Government”) of an “Exploration Work Program” and lasts up to 48 months with a 12-month extension permitted. By the end of the exploration period, the Company must issue a “Notice of Discovery and Its Commerciality” followed by submission to the Government of a “Development and Production Program” for the ore deposit. The development and production period for each mining property is up to 15 years with two 5-year extensions permitted. The licensing of all contract areas is in good standing.

The Company finances the operations of each mining property and shares with the Government the commercial products of each mine. The Government receives 51 per cent. of “Profit Production” which is defined as the value of production less all cash operating and capital costs incurred in its production. Profit Production is subject to a 25 per cent. minimum of the value of production and unrecovered capital and operating costs can be carried forward and offset against future production.

Financing the strategic growth plan

In the near to medium term, the new mine development will be financed with cash flow generated from the Company’s existing mines, current cash, local bank debt and equipment

vendor financing. The Company has recently secured a AZN55 million (\$32 million) debt facility with the International Bank of Azerbaijan (see RNS announcement dated 09 March 2023). The Company may seek additional sources of finance depending on the final processing methods chosen.

Commitment to value creation and shareholder returns

The Company and its directors believe this strategic plan for growth will provide the necessary growth and cash flow to provide long term value for shareholders. Under the forecasts based on the current strategic plan for growth, Anglo Asian intends to maintain its prevailing dividend practice as it moves to become a mid-tier mining company.

Our mining properties are developed for the benefit of all stakeholders. The Company has always upheld strong ESG practices and will develop its new mines continuing to utilise internationally recognised best standards.

Details of the development projects and exploration potential

Further details of the development projects are set out in Appendix One and their further exploration upside is discussed in Appendix Two.

Market Abuse Regulation (MAR) Disclosure

Certain information contained in this announcement would have been deemed inside information for the purposes of Article 7 of Regulation (EU) No 596/2014, which was incorporated into UK law by the European Union (Withdrawal) Act 2018, until the release of this announcement.

All references to “\$” are to United States dollars. All references to “AZN” are to the Azerbaijan New Manat.

For further information please contact:

Anglo Asian Mining plc

Reza Vaziri, Chief Executive Officer

Tel: +994 12 596 3350

Bill Morgan, Chief Financial Officer

Tel: +994 502 910 400

Stephen Westhead, Vice President

Tel: +994 502 916 894

SP Angel Corporate Finance LLP (Nominated Adviser and Broker) Tel: +44 (0) 20 3470 0470

Ewan Leggat

Adam Cowl

Hudson Sandler (Financial PR)

Tel: +44 (0) 20 7796 4133

Charlie Jack

Harry Griffiths

Appendix One

Asset portfolio and details of development projects

The Company will continue gold production from the Gedabek and Gadir mines during the Transition phase.

Initially the new mines at Zafar and Gilar will feed higher-grade copper-gold ore into the existing Gedabek processing plant to raise copper production, targeting start-up with Gilar in 2023/24 followed by Zafar. The Gedabek plant is being expanded and adapted to increase throughput capacity in time for new feedstock ore from the Zafar and Gilar mines. The expansion will double capacity at a capital cost of approximately \$3 million, taking the plant throughput to around 1,300,000 tonnes per annum (“tpa”) from 650,000 tpa. The two mines (Zafar and Gilar) are planned to produce a total of approximately 120,000 tonnes of copper equivalent by 2037. Underground tunnelling work has already started at Zafar and Gilar with 5 metre x 5 metre portals constructed, which are designed for production. The tunnels will initially enable rapid infill and exploration drilling from underground for better definition of the mineral resource and low-cost development and expansion of both mines.

The longer-term production growth will focus on the Xarxar and Garadag copper deposits, which contain larger resources of copper and will likely be developed using shared infrastructure due to their proximity and to generate operational synergies. Processing is likely to be accomplished either by conventional flotation or bacterial heap and/or in-situ leaching.

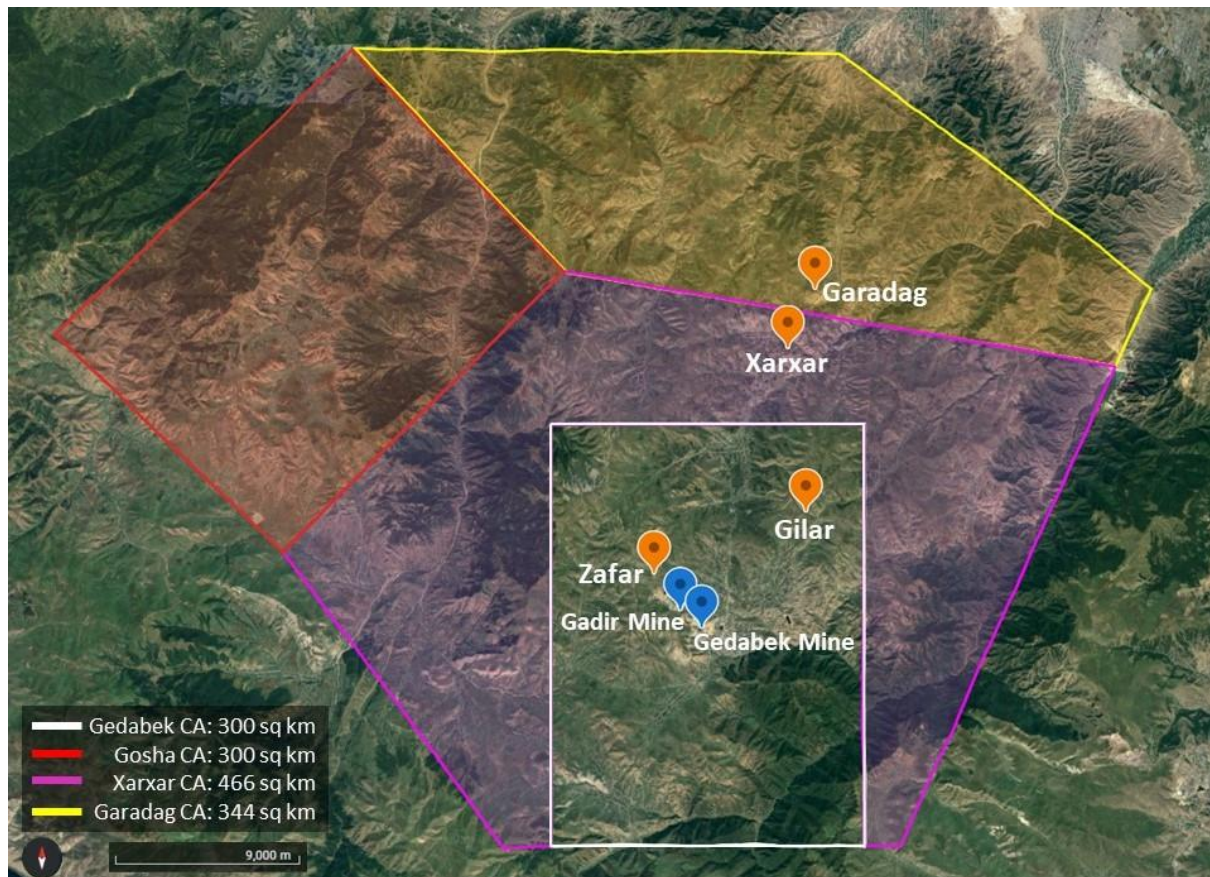


Figure 1: Key mines and ongoing projects showing contract area boundaries of Anglo Asian Mining (source: Google Earth).

At **Gedabek**, a new copper zone at the edge of the Gedabek open pit will extend the mine life and provide further copper ore to the Gedabek processing plant. The preliminary non-JORC resource of the new zone is 1.4 million tonnes grading 0.48 per cent. copper. Gedabek currently has a total non-JORC resource estimate containing 144,000 ounces of gold and over 23,600 tonnes of copper, excluding the residual metal inventory in processed tailings impounded in the tailings dam.

The **Zafar** mine will be constructed during 2023 with production planned from 2024. Zafar will provide back up production should there be any delay or interruption to mining of the higher-grade ores at Gilar. Zafar's JORC resource contains 6.8 million tonnes grading 0.5 per cent. copper and 0.4 grammes per tonnes of gold with around 1 per cent. zinc.

Gilar is targeted to start to supply ore to the processing plant at Gedabek in 2023/24. Recent drill results show mineral intersections of 5.1 to 61.7 metres grading 0.90 to 4.85 grammes per tonne of gold combined with 0.28 to 4.43 per cent. copper. These results further validate the decision to start construction of an underground tunnel at Gilar for exploration and production. Gilar's non-JORC resource currently contains 5.64 million tonnes grading 0.82 per cent. copper, 0.87 per cent. zinc and 1.37 grammes per tonne of gold.

Xarxar and **Garadag** contain larger tonnages and our current plan is to develop them using shared infrastructure and building a processing plant to serve both mines. Processing methods are yet to be finalised. The Company is currently considering conventional flotation or bacterial heap leaching with conventional open pit and/or underground mining. In-situ recovery methods are also being investigated.

At **Xarxar**, a 500 metre long, 3.5 metre by 3.5 metre tunnel constructed into the mineral deposit is providing representative bulk samples for test processing. The Xarxar deposit appears to fit a Corbett model for classic copper porphyry structures with mineralised copper ore between the phyllic and potassic alternation zones. One 600 metre vertical intersection shows argillic mineralisation with chalcopyrite and chalcocite. Samples from the deposit show specks of native copper visible to the naked eye.

The topography of the deposit lends itself towards open pit mining. Trucking of ore will be downhill which will minimise costs. The open pit should eventually finish at a depth of 205 metres.

The Company is currently optimising the Xarxar mine plan using a base case of \$8,000 per tonne for the extraction of 20.1 million tonnes of ore grading 0.46 per cent. copper at a 1.6 strip ratio for 93,500 tonnes of contained copper based on the current published non-JORC resource. Production is due to start in 2026 at circa 9,000 tonnes of copper per annum for around seven years.

Above level 1,200 metres

cut-off (Cu %)	Mineralisation (tonnes)	Resultant (Cu %)	Metal (Cu tonnes)
0.15	41,394,352	0.34	140,741
0.30	17,095,640	0.53	90,607
0.45	8,150,558	0.72	58,684

Above level 1,000 metres

cut-off (Cu %)	Mineralisation (tonnes)	Resultant (Cu %)	Metal (Cu tonnes)
0.15	64,915,146	0.32	207,728
0.30	23,428,520	0.51	119,485
0.45	10,212,706	0.71	72,510

At **Garadag**, the Company is relogging around 23,000 metres of core drilled by AzerGold CJSC to rematch the assay results. Non-JORC internal "open pit boundary" constrained "Indicated and Inferred Mineral" Resource estimates show 70 million tonnes grading 0.5 per cent. copper (historical resources estimated were 49 million tonnes grading 0.64 per cent. copper, C1 & C2 Russian classification.)

Garadag and Xarxar are only four kilometres apart and connected by a main road. The mines will therefore share infrastructure and processing facilities, which will accelerate Garadag's development. Garadag is planned to be commissioned in 2027/28 and is expected to produce over 20,000 tonnes of copper per annum from 2029.

Appendix Two

Exploration and Investment upside

The Company holds eight contract areas in Azerbaijan, with a total area of 2,544 square kilometres (Figure 2). These include four with a total area of 1,400 square kilometres around the Gedabek gold-copper production area (Figure 1). The exploration upside is extensive with further copper, gold and polymetallic targets located in all of the Company's contract areas, including anomalies discovered by airborne electromagnetic ('ZTEM') surveying (20 shallow, 5 deep and 6 "porphyry") and 7 identified mineral occurrences in and adjacent to the Gedabek area. There are 6 copper targets in the Xarxar and Garadag areas, 28 known mineralisation occurrence targets in the Gosha area with up to 3 per cent. copper and 3 per cent. zinc seen in surface samples, and 9 known mineral deposits in Ordubad. Additionally, significant exploration potential exists in the Kyzlbulag, Demirli and Vejnaly contract areas.

The contract areas

The locations of the eight contract areas with a total land area of over 2,500 square kilometres are shown in figure 2.



Figure 2: Location map of contract areas in Azerbaijan

The Company currently holds in excess of 1 million tonnes of in-situ copper in the various resource categories within its total portfolio.

A number of copper-rich porphyry systems have been identified in and around the Gedabek mine area. These porphyritic structures appear to be responsible for high-grade mineralisation at Zafar and Gilar and larger lower-grade copper mineralisation at Xarxar and Garadag. The Company plans to use remote sensing to identify areas of phyllic and potassic alternation which indicate potential for further porphyry-style copper mineralisation.

Exploration at Ordubad in Nakhchivan shows classic Corbett model, argillic and phyllic alteration either side of propylitic alteration. The team is relogging 19,725 metres of historic drill core from 112 drill holes. Geochemical surveying shows an 8 kilometre diameter structure of malachite in soils and outcrop. The area shows significant potential for both copper and gold mineralisation and development opportunities. Drilling recommenced in March 2023. The Company has also established an office in Nakhchivan to support the ongoing exploration programme.

There is potential to restart the Demirli copper-molybdenum porphyry mine in the northern part of the Karabakh economic region, when the political situation allows. The mine has the capability to add over 6,000 tonnes per annum of copper equivalent to the Company's production from 2025. This is not included in the current strategic plan for growth and represents upside potential to the above targets.

This strategy plan is focused on Azerbaijan and demonstrates the outstanding organic growth prospects of the Company's in-country portfolio. In addition, the Company has invested in Libero Copper & Gold Corporation, whose project portfolio includes several copper exploration properties in North and South America, including Mocoa in Colombia, one of the world's largest undeveloped copper-molybdenum resources.

Mineral resource estimates

The Company has used its own in-house estimate of resources and economically extractable copper in this announcement and these figures are not based on a Standard, such as JORC. The Company intends to carry out JORC reporting on completion of the ongoing drilling and exploration programme.

Competent Person Statement

The information in the announcement that relates to exploration results, minerals resources and ore reserves is based on information compiled by Dr Stephen Westhead, who is a full-time employee of Anglo Asian Mining with the position of Vice-President, who is a Fellow of The Geological Society of London, a Chartered Geologist, Fellow of the Society of Economic Geologists, Fellow of the Institute of Materials, Minerals and Mining and a Member of the Institute of Directors.

Stephen Westhead has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Stephen Westhead consents to the inclusion in the announcement of the matters based on his information in the form and context in which it appears.

Stephen Westhead has sufficient experience, relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking, to qualify as a "competent person" as defined by the AIM rules. Stephen Westhead has reviewed the mineral resources included in this announcement. For the avoidance of doubt, resources and economically extractable copper figures in this notification are not based on a Standard for the reporting of reserves and resources, such as JORC, as defined in the AIM Rules for Companies.

About Anglo Asian Mining

Anglo Asian Mining plc (AIM:AAZ) is a gold, copper and silver producer with a high-quality portfolio of production and exploration assets in Azerbaijan. The Company produced 57,618 gold equivalent ounces ("GEOs") for the year ended 31 December 2022.

In December 2021, the Company undertook a private placement which acquired 19.8 per cent. of Libero Copper & Gold Corporation ("Libero"). Libero is listed on the TSX Venture Exchange in Canada and owns, or has the option to acquire, several copper exploration properties in North and South America, including Mocoa in Colombia, one of the world's largest undeveloped copper-molybdenum resources. Two further follow-on investments have been made in Libero to maintain the Company's shareholding at 19.8 per cent.

On 5 July 2022, the Parliament of Azerbaijan ratified amendments to the Company's Production Sharing Agreement, which granted it legal title to three additional concessions with a combined area of 882 square kilometres, including the Garadag porphyry copper deposit, with a Soviet classified resource of over 300,000 tonnes of copper.

<https://www.angloasianmining.com/>