

23 September 2021

Final

Anglo Asian Mining plc
Interim Results for the six-months to 30 June 2021
FY 2021 Production Guidance maintained
Interim Dividend for 2021 of US 4.5 cents per ordinary share

Anglo Asian Mining plc ("Anglo Asian", the "Company" or the "Group"), the AIM-listed copper, gold, and silver producer in Azerbaijan, is pleased to announce its interim results for the six-month period ended 30 June 2021 ("H1 2021").¹

The Company also announces its 2021 interim dividend of US 4.5 cents per ordinary share payable on 4 November 2021 to shareholders at the record date of 8 October 2021.

Financial highlights

- Total revenues in H1 2021 of \$43.5 million (H1 2020: \$45.8 million)
- Profit before taxation in H1 2021 of \$5.9 million (H1 2020: \$11.8 million)
- Free cash flow in H1 2021 was a net outflow of \$0.4 million (H1 2020: inflow of \$13.4 million); forecast free cash flow for FY 2021 is between \$10 million to \$15 million
- Interim dividend declared for 2021 of US 4.5 cents per ordinary share
- Cash at 30 June 2021 of \$36.6 million (31 December 2020: \$38.8 million) and the Company remains debt free

Operational highlights

- Total reportable production in H1 2021 of 32,171 gold equivalent ounces ("GEOs") (H1 2020: 32,501 GEOs)
 - Gold production totalled 24,249 ounces (H1 2020: 27,922 ounces)
 - Copper production totalled 1,333 tonnes (H1 2020: 1,207 tonnes)
 - Silver production totalled 78,981 ounces (H1 2020: 58,529 ounces)
- Gold bullion sales in H1 2021 of 19,582 ounces (H1 2020: 23,979 ounces) completed at an average price of \$1,776 per ounce (H1 2020: \$1,649 per ounce)
- All-in sustaining cost ("AISC") of gold production in H1 2021 of \$848 per ounce (H1 2020: \$743 per ounce) due to the fixed cost impact of lower production and increased consumption and prices of certain consumables including diesel and reagents
- No major environmental incidents or significant safety incidents during the period
- FY 2021 Production guidance of between 64,000 to 72,000 GEOs remains unchanged

¹ Note that all references to "\$" and "cents" are to United States dollars and cents, "€" are to European Euros and "£" and "pence" are to Pounds Sterling.

- The Company is in negotiations with the Government of Azerbaijan regarding its portfolio of contract areas in the country and will provide an update to shareholders as soon as any binding agreement is reached

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.

For further information please contact:

Reza Vaziri	Anglo Asian Mining plc	Tel: +994 12 596 3350
Bill Morgan	Anglo Asian Mining plc	Tel: +994 502 910 400
Stephen Westhead	Anglo Asian Mining plc	Tel: +994 502 916 894
Ewan Leggat Adam Cowl	SP Angel Corporate Finance LLP Nominated Adviser and Broker	Tel: +44 (0) 20 3470 0470
Charlie Jack Elfie Kent	Hudson Sandler	Tel: +44(0) 20 7796 4133

A presentation on the Company's H1 2021 financial results will be available later today on the Anglo Asian website: <https://www.angloasianmining.com>

Chairman's Statement

Dear Shareholders

It gives me great pleasure to present our interim report for 2021. Despite inflationary headwinds, the Company has continued to deliver with production levels in line with our expectations. In view of our current performance and expected improved cash generation in the second half of the year, the board is declaring an interim dividend of US 4.5 cents per ordinary share.

We continue to see compelling opportunities for growth and for achieving our ambition to become a mid-tier producer. In April, we were also highly encouraged to receive governmental approval for the first of two five-year extensions of the production sharing agreement for our Gedabek contract area, which will allow us to continue expanding our operations in Azerbaijan. We also continue to make excellent progress with our exploration programme at Gedabek. In particular, the completion of the maiden JORC Mineral Resource estimate for Zafar is an important development that will underpin our future long-term production, with significant potential for operational and geographical synergies with our current facilities.

The Company has reviewed its current concessions and is in negotiations with the Government of Azerbaijan regarding its portfolio of contract areas in the country. As soon as any binding agreement has been reached, we will update shareholders accordingly.

We continue to highly value our long-standing collaboration and partnership with the Government of Azerbaijan and were encouraged by the easing of the COVID-19 restrictions in Azerbaijan. Together with reduced restrictions internationally, the Company is now seeing very little impact on its operations of the COVID-19 pandemic.

Our annual general meeting (“AGM”) for 2021 took place as a “closed” meeting with only the necessary quorum of two shareholders due to the COVID-19 restrictions. Shareholders were invited to submit written questions to the board prior to the AGM and responses to all questions were published on the Company’s website. The directors are very much looking forward to meeting shareholders in person at the AGM in 2022.

The directors remain committed to engaging with all shareholders, prospective investors and other stakeholders through face-to-face meetings whenever possible. The directors are very aware that the COVID-19 pandemic has severely curtailed these activities, and we very much look forward to resuming them once the situation permits.

We reiterate our full year production guidance of between 64,000 to 72,000 gold equivalent ounces. We are making encouraging progress with our exploration programme and expect to complete the final mineral resource estimate for Zafar by the end of 2021 or early 2022, while we also continue to assess other high-priority ZTEM targets. I look forward to providing a further update on our progress at the year end.

I would like to take this opportunity to thank all Anglo Asian employees, our partners and the Government of Azerbaijan for their continued partnership in these extraordinary times. I also wish to sincerely thank our shareholders for their ongoing support.

Khosrow Zamani

Non-executive Chairman

22 September 2021

Chief Executive Review

I am pleased to present the results of our half year performance. The Company’s overall profitability in the first half of 2021 reduced compared to the previous year, however results were in line with expectations and we anticipate an improved financial performance in the second half of 2021. Our financial position remains robust and the board has recommended an interim dividend for 2021 of US 4.5 cents per ordinary share.

Operational review

This year has seen the easing of most COVID-19 restrictions that had placed constraints on our business both in Azerbaijan and elsewhere, and the Gedabek site now operates normally. We are now regularly shipping doré to Switzerland by scheduled airflights and our refiners are in full operation. There are no restrictions on the movement of employees and staff are now able freely to rotate to and from the Gedabek site.

A total of 32,171 gold equivalent ounces ("GEOs") were produced in the six months to 30 June 2021 compared to 32,501 GEOs in H1 2020. Copper production increased to 1,333 tonnes from 1,207 tonnes and gold production was 24,249 ounces compared to 27,922 ounces in H1 2020. The production profile changed in H1 2021 as only sulphide ore containing copper was processed, since the Ugur open pit was exhausted in late 2020. This change in the composition of the ore feed increased copper production, especially from the SART plant, but reduced gold production. Previously heaped leached ore was also blended with run of mine ('ROM') ore to reduce the hardness of the feedstock to the agitation leaching plant.

An ore sorter is currently being commissioned at Gedabek. It can remove waste rock particles from an ore using various discriminating techniques such as X-Ray diffraction, thus increasing the head grade of the feed to the processing plant. A potential site has been identified for a new tailings dam and design for the new tailings dam will commence later this year. The Company is also draining a large fresh-water pond at Gedabek, which is no longer required as the Company can now purify water in its water treatment plant. The reclaimed land will provide considerable additional space for expanding heap leaching.

Financial results

The Company's financial performance in H1 2021 was in line with expectations with revenues of \$43.5 million compared to \$45.8 million in H1 2020, as lower sales of gold bullion were partially offset by higher sales of copper concentrate. Profit before tax in H1 2021 decreased to \$5.9 million from \$11.8 million in H1 2020 reflecting an increase in the all-in sustaining cost ("AISC") of production at \$848 per ounce compared to \$743 in H1 2020. The Company experienced cost inflation in H1 2021 for many of its consumables, especially imported reagents. The price of diesel fuel in Azerbaijan also increased in January 2021 by 33.3 per cent. to US 47 cents per litre, adding approximately \$0.5 million to the costs for H1 2021. The cyanide consumption of the agitation leaching plant also increased significantly due to the change in production profile, processing only sulphide ores containing copper.

Revenues continued to be subject to an effective royalty of 12.75 per cent. in H1 2021. The Company anticipates that this same royalty rate will continue until at least 2023 and further details are set out in the financial review below.

The Company continues not to hedge gold sales, although the policy remains under constant review. Selling at spot prices in H1 2021 enabled the Company to achieve an average selling price of \$1,776 per ounce (H1 2020: \$1,649 per ounce) for its gold bullion.

The Company's balance sheet remains strong, despite the reduction in cash generation. Cash flow from operations in H1 2021 was \$14.0 million compared to \$21.5 million in H1 2020 and the Company ended the period with \$36.6 million of cash and no debt. The Company's free cash flow was a usage of \$0.4 million. This arose due a combination of cost increases, increased tax payments and increases in working capital. However, the Company forecasts that free cash flow for the full year to 31 December 2021 will be in the range of \$10 million to \$15 million.

The Board has recommended an interim dividend for 2021 of US 4.5 cents per ordinary share payable to shareholders that are on the share register at the record date of 8 October 2021.

Mineral resources and exploration

The Company continues its extensive exploration programme at Gedabek. This programme focused on Zafar in H1 2021 and the Company was very pleased to recently publish Zafar's maiden mineral resource estimation. This resource comprises 8.47 million tonnes of mineralisation with a metal content of 51,000 tonnes of copper, 82,000 ounces of gold and 40,000 tonnes of zinc. Substantial exploration continues to be carried out at the Zafar deposit with the aim of producing its maiden ore reserve estimation in early 2022. We were also encouraged that the first of the two five-year permitted extensions of the production sharing agreement for Gedabek was granted during the period.

The Company continues its exploration at Zafar and other targets at Gedabek including Avshancli and Gilar. There was no geological field work carried out at Ordubad in H1 2021 as there was no access due to COVID-19 travel restrictions. There was also no geological field work carried out at Gosha whilst drill planning was carried out. Drilling at Gosha has recommenced in H2 2021 focusing on near mine exploration of the existing Gosha underground mine.

Reza Vaziri
President and Chief Executive Officer

22 September 2021

Dividend

An interim dividend, in respect of the year ending 31 December 2021, of US 4.5 cents per ordinary share will be paid gross on 4 November 2021 to shareholders that are on the shareholders record at the record date of 8 October 2021. The shares will go ex-dividend on

7 October 2021. All dividends will be paid in cash and a scrip dividend or other dividend reinvestment plan will not be offered by the Company.

The dividend will be payable in pounds sterling. The dividend will be converted to pounds sterling using the average of the sterling closing mid-price using the exchange rate published by the Bank of England at 16:00 BST each day from the 11 to 15 October 2021.

Corporate Governance

A statement of the Company's compliance with the ten principles of corporate governance in the Quoted Companies Alliance Corporate Governance Code ('QCA Code') can be found on the Company's website at https://wp-angloasianmining-2020.s3.eu-west-2.amazonaws.com/media/2021/08/11151220/CORPORATE_GOVERNANCE_web_update_AUGUST_2021.pdf

Strategic report

Principal activities

The principal activity of Anglo Asian Mining PLC (the "Company") is that of a holding company and a provider of support and management services to its main operating subsidiary R.V. Investment Group Services LLC. The Company, together with its subsidiaries (the "Group"), owns and operates gold, silver and copper producing properties in the Republic of Azerbaijan ("Azerbaijan"). It also explores for, and develops, other potential gold and copper deposits in Azerbaijan.

The Group has 1,962 square kilometres of land under concession in western Azerbaijan including Karabakh, divided into six separate parcels of land called contract areas. This is approximately 2.5 per cent. of the territory of Azerbaijan. Three of the contract areas ("Active Contract Areas") have been exploited since the inception of the business and are at various stages of development:

- Gedabek. This is the location of the Group's main gold, silver and copper open pit mine and the Gadir and Gedabek underground mines. The Group's processing facilities to produce gold doré and flotation concentrates containing copper, silver and gold are also located at Gedabek.
- Gosha. This is situated approximately 50 kilometres from Gedabek and is the location of a small, narrow vein gold and silver mine.
- Ordubad. An early-stage gold and copper exploration project located in Nakhchivan, south-west Azerbaijan.

In addition to the Active Contract Areas, the Group has three contract areas ("Restored Contract Areas") which were restored to the Group following the resolution of the conflict between Azerbaijan and Armenia in 2020. The Group intends to commence exploiting these contract areas as soon as access is allowed and other conditions permit and shareholders

should note that the Company is in negotiations with the Government of Azerbaijan regarding its portfolio of contract areas in the country, the outcome of which negotiations are expected to affect the contract areas.

- Soutely. Situated in the Kalbajar district of Azerbaijan and is the location of the Soyudlu gold and silver mine.
- Kyzlbulag. Situated in Karabakh and is the location of the Demirli deposit. This hosts a large copper/molybdenum mine and an intact plant.
- Vejnaly. Situated in the Zangilan district of Azerbaijan and hosts the Vejnaly deposit.

Overview of H1 2021 and FY 2021 production target

In H1 2021, the Company continued its strategy to increase shareholder value by progressing the development of Anglo Asian into a mid-tier gold, copper and silver miner. The key pillars of the strategy are as follows:

Add production in the medium term

- Increase production from new discoveries including Zafar at Gedabek with potential production scheduled to start in late 2021 or 2022.
- Commence production from mines in the Restored Contract Areas.

Longer-term development

- Develop the large amount of exploration territory under concession including Gosha, Ordubad and the Restored Contract Areas.
- Obtain new concessions in Azerbaijan.
- Pursue economically viable opportunities outside of Azerbaijan which it believes can be made commercially successful.

In H1 2021, the Group announced the discovery of “Zafar” at Gedabek which is a significant copper-gold mineral deposit. The Group published the maiden JORC Mineral Resource estimation for the Zafar deposit in July 2021.

The Group has a production target for the year to 31 December 2021 of 48,000 ounces to 54,000 ounces of gold and 2,500 tonnes to 2,800 tonnes of copper. The total production target for the year to 31 December 2021 expressed as gold equivalent ounces (“GEOs”) is between 64,000 GEOs and 72,000 GEOs, compared to total production for the year to 31 December 2020 of 67,249 GEOs. Silver and copper production were converted into GEOs using the following budget metal prices:

Metal	Unit	Price of metal		Gold equivalent ounces of metal	
		Actual 31 December 2020	Budget 2021	Actual 31 December 2020	Budget 2021 Ounces

		\$	\$	Ounces	
Gold	per ounce	1,893.66	1,650.00	1.000	1.000
Silver	per ounce	26.30	25.00	0.014	0.015
Copper	per tonne	7,741.50	8,700.00	4.088	5.273

Gedabek

Introduction

The Gedabek mining operation is located in a 300 square kilometre contract area in the Lesser Caucasus mountains in western Azerbaijan on the Tethyan Tectonic Belt, one of the world's most significant copper and gold-bearing continental geological structures. Gedabek is the location of the Group's Gedabek open pit mine, its Gadir and Gedabek underground mines and the Company's processing facilities. The Group has recently discovered a new deposit at Gedabek close to the existing processing facilities which has been named Zafar.

Mineral resources and ore reserves

Key to the future development of the Company is our knowledge of the mineral resources within the Company's contract areas. The Group's most recent mineral resources and ore reserves estimates for its existing mines were published on 2 November 2020. A summary of these estimates is as follows (amounts are in-situ before recovery):

- Mineral resources for Gedabek open pit:
 - Total mineral resources of 735,000 ounces of gold and 41,200 tonnes of copper.
 - Mineral resources now include material contained in stockpiles.
 - Zinc mineral resources now also estimated to enable the technical implications of higher zinc grades at depth to be understood.
- Revised mineral resources for Gadir underground mine:
 - Total mineral resources of 267,000 ounces of gold and 2,183 tonnes of copper.
- Combined mineable ore reserves for the Gedabek open pit and Gadir underground mine:
 - Gedabek open pit of 284,000 ounces of gold and 26,000 tonnes of copper.
 - Gadir underground mine of 49,000 ounces of gold and 191 tonnes of copper.
- Mine life for the Gedabek open pit of eight years:
 - Mine life based on only surface mining from the Gedabek open pit.
 - Underground mining from beneath the Gedabek open pit will shorten the mine life.
- A residual mineral study of the Ugur open pit showed that, as expected, the mine was nearing depletion and subsequently the mine has been exhausted.

A maiden JORC Mineral Resource estimate for the Zafar deposit was published on 16 July 2021 as follows:

Agitation leach	0.02	1.87	0.24	17.79	1	0	10
Flotation	0.14	0.90	0.53	11.71	4	0.7	53
Heap leach (crushed)	0.06	0.81	0.11	7.71	2	0.1	16
Heap leach (ROM)	0.61	0.73	0.21	10.23	14	4.3	201
Stockpile Mineral Resources	0.83	0.79	0.26	10.44	21	2.2	279

Some of the totals above may not add due to rounding

Table 2 - Gedabek open pit ore reserves estimate at 30 June 2020.

	Tonnage (Mt)	In-situ grades			Contained metal		
		Gold grade (g/t)	Copper grade (%)	Silver grade (g/t)	Gold (koz)	Copper (kt)	Silver (koz)
Proven	8.07	0.72	0.19	3.48	187	15.3	902
Probable	3.65	0.64	0.23	4.87	75	8.5	572
In situ-ore reserves	11.72	0.70	0.20	3.91	263	24	1,474
		Stockpile grades					
Agitation leach	0.02	1.87	0.24	17.79	1	0	10
Flotation	0.14	0.90	0.53	11.71	4	0.7	53
Heap leach (crushed)	0.06	0.81	0.11	7.71	2	0.1	16
Heap leach (ROM)	0.61	0.73	0.21	10.23	14	4.3	201
Stockpile ore reserves	0.83	0.79	0.26	10.44	21	2.2	279
TOTAL ORE RESERVE	12.55	0.70	0.21	4.34	284	26.0	1,754

Some of the totals above may not add due to rounding

Proved and probable ore reserves estimate is based on that portion of the measured and indicated mineral resources of the deposit within the scheduled mine designs that may be economically extracted, considering all "Modifying Factors" in accordance with the JORC (2012) Code.

Table 3 - Gadir underground mine mineral resources estimate at 30 September 2020

MINERAL RESOURCES (cut-off grade of 0.5 g/t gold)									
Mineral Resources	Tonnage (kt)	In-situ grades				Contained Metal			
		Gold grade (g/t)	Copper grade (%)	Silver grade (g/t)	Zinc grade (%)	Gold (koz)	Copper (kt)	Silver (koz)	Zinc (kt)
Measured	2,035	2.47	0.09	4.69	0.61	162	1,831	307	12,407
Indicated	966	1.59	0.02	0.63	0.33	49	193	20	3,188
Measured and Indicated	3,001	2.19	0.07	3.40	0.52	211	2,024	326	15,595
Inferred	1,594	1.10	0.01	0.03	0.10	56	159	2	1,594
TOTAL	4,595	1.81	0.05	2.22	0.37	267	2,183	328	17,189

Some of the totals above may not add due to rounding

Table 4 - Gadir underground mine ore reserves estimate at 30 September 2020

	Tonnage	In-situ grades			Contained metal		
		Gold	Copper	Silver	Gold	Copper	Silver

	(Mt)	grade (g/t)	grade (%)	grade (g/t)	(koz)	(kt)	(koz)
Proven	0.47	2.32	0.04	3.38	35	173	51
Probable	0.19	2.20	0.01	0.74	14	18	5
TOTAL ORE RESERVE	0.66	2.28	0.03	2.60	49	191	56

Some of the totals in the above table do not sum due to rounding

The above proved and probable ore reserves estimate is based on that portion of the measured and indicated mineral resource of the deposit within the scheduled mine designs that may be economically extracted, considering all "Modifying Factors" in accordance with the JORC (2012) Code. Zinc was not estimated as part of this reserve as it is under study at resource level currently.

Table 5 – Zafar mineral resource estimate at 31 May 2021

MINERAL RESOURCES (Copper cut-off grade of > 0.3 per cent. copper equivalent)							
	Tonnage million tonnes	In-situ grades			Contained metal		
		Copper grade (%)	Gold grade (g/t)	Zinc grade (%)	Copper (kt)	Gold (kozs)	Zinc (kt)
Measured and indicated	8.21	0.60	0.31	0.48	49	81	39
Inferred	0.26	0.68	0.07	0.31	2	1	1
Total	8.47	0.60	0.30	0.47	51	82	40

All tonnages reported are dry metric tonnes.

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

Table 6 – Ugur open pit – remaining mineable material at 30 June 2020 (Now fully depleted)

MINEABLE MATERIAL (gold cut-off grade of > = 0.3 g/t)					
	Tonnage (Mt)	In-situ grades		Contained metal	
		Gold grade (g/t)	Silver grade (g/t)	Gold (koz)	Silver (koz)
Mineable Material	0.28	0.8	3.59	7.15	32.3
MINEABLE MATERIAL (gold cut-off grade of > = 0.2 g/t)					
Mineable Material	0.38	0.65	3.33	7.94	40.7

Some of the totals above may not add due to rounding

Previously heap leached ore

Initial gold production at Gedabek from 2009 to 2013 was only by heap leaching crushed ore as the agitation leaching of ore only commenced following completion of the agitation leaching plant in 2013. The heaps remain in-situ and given the high grade of ore processed and the lower recovery rates, much of the previously heap leached material contains

significant amounts of gold. The Company estimates it had about 1.7 million tonnes of previously heap leached material with an average grade of 1.35 grammes of gold per tonne at the end of 2020.

Mining operations

The principal mining operation at the Gedabek contract area is conventional open-cast mining from the main open pit. Ore is also mined from the Gadir and Gedabek underground mines.

Table 7 – Ore mined at Gedabek from all mines (including Gosha) for the year ended 31 December 2020 and the six months to 30 June 2021

Mine	12 months to 31 December 2020		3 months to 31 March 2021		3 months to 30 June 2021	
	Ore mined (tonnes)	Average gold grade (g/t)	Ore mined (tonnes)	Average gold grade (g/t)	Ore mined (tonnes)	Average gold grade (g/t)
Open pit	1,303,956	0.94	537,044	0.90	360,249	0.68
Ugur – o/pit	505,426	0.95	-	-	-	-
Gadir – u/g	125,001	2.53	27,017	2.02	27,128	2.08
Gosha – u/g	7,235	2.58	-	-	-	-
Gedabek – u/g	16,376	2.37	40,768	1.41	59,079	1.73
Total	1,956,783	1.06	604,829	0.98	446,456	0.90

Processing operations

Ore is processed at Gedabek to produce either gold doré (an alloy of gold and silver with small amounts of impurities, mainly copper) or a copper and precious metal concentrate.

Gold doré is produced by cyanide leaching of ore either by heap or agitation leaching. Copper and precious metal concentrates are produced by SART processing and flotation.

Table 8 – Ore and its gold grade processed by leaching at Gedabek for the year ended 31 December 2020 and the six months ended 30 June 2021

Quarter ended	Ore processed			Gold grade of ore processed		
	Heap leach pad crushed ore (tonnes)	Heap leach pad ROM Ore (tonnes)	Agitation leaching plant* (tonnes)	Heap leach pad crushed ore (g/t)	Heap leach pad ROM ore (g/t)	Agitation leaching plant* (g/t)
31 March 2020	132,731	258,121	163,379	0.84	0.49	2.53
30 June 2020	139,752	134,675	161,079	0.79	0.44	1.95
30 September 2020	168,945	149,031	181,200	0.87	0.50	2.09
31 December 2020	107,852	172,206	177,487	0.89	0.59	1.81
FY 2020	549,280	714,033	683,145	0.85	0.51	2.17

31 March 2021	110,612	258,097	154,373	0.90	0.61	1.84
30 June 2021	154,619	177,369	164,288	0.81	0.59	1.64
H1 2021	265,231	435,466	318,661	0.84	0.60	1.78

** includes previously heap leached ore.*

Table 9 – Previously heap leached ore and its gold grade processed by agitation leaching at Gedabek for the year ended 31 December 2020 and the six months ended 30 June 2021

Quarter ended	Previously heap leached ore processed	
	Amount (tonnes)	Gold grade (g/t)
31 March 2020	-	
30 June 2020	11,910	1.70
30 September 2020	46,715	1.96
31 December 2020	20,734	1.59
FY 2020	79,357	1.82
31 March 2021	-	-
30 June 2021	53,227	1.39
H1 2021	53,227	1.39

Table 10 – Ore and its gold, silver and copper content processed by flotation for the year ended 31 December 2020 and the six months ended 30 June 2021

Quarter ended	Ore processed (tonnes)	Gold content (ounces)	Silver content (ounces)	Copper content (tonnes)
31 March 2020	126,354	1,860	28,831	622
30 June 2020	132,848	1,459	18,354	762
30 September 2020	123,440	1,565	15,530	741
31 December 2020	110,772	859	8,660	693
FY 2020	493,414	5,743	71,375	2,818
31 March 2021	111,060	920	15,782	652
30 June 2021	116,910	1,251	23,870	596
H1 2021	227,970	2,171	39,652	1,248

Production and sales

Table 11 – Gold and silver bullion produced from doré bars and sales of gold bullion for the year ended 31 December 2020 and six months ended 30 June 2021

Quarter ended	Gold produced* (ounces)	Silver produced* (ounces)	Gold sales** (ounces)	Gold Sales price (\$/ounce)
31 March 2020	15,034	3,852	11,236	1,577
30 June 2020	11,455	3,562	12,743	1,713
H1 2020	26,489	7,414	23,979	1,649
30 Sept 2020	14,945	5,487	6,599	1,947
31 Dec 2020	13,276	4,614	18,072	1,884
H2 2020	28,221	10,101	24,671	1,901
FY 2020	54,710	17,515	48,650	1,777
31 March 2021	11,541	4,916	5,635	1,697
30 June 2021	11,791	5,922	13,947	1,808
H1 2021	23,332	10,838	19,582	1,776

* including the Government of Azerbaijan's share

** excluding the Government of Azerbaijan's share

Table 12 – Total copper, gold and silver produced as concentrate by both SART and flotation processing for the year ended 31 December 2020 and the six months ended 30 June 2021

Quarter ended	Concentrate production* (dmt)	Copper content* (tonnes)	Gold content* (ounces)	Silver content* (ounces)
31 March 2020				
SART processing	221	114	8	12,895
Flotation	2,773	445	825	17,895
Total	2,994	559	833	30,790
30 June 2020				
SART processing	267	151	7	10,857
Flotation	2,904	497	573	9,542
Total	3,171	648	580	20,399
30 September 2020				
SART processing	301	165	7	17,148
Flotation	2,965	523	476	8,416
Total	3,266	688	483	25,564
31 December 2020				
SART processing	421	196	15	21,279
Flotation	2,929	500	243	7,086
Total	3,350	696	258	28,365
31 March 2021				
SART processing	473	276	13	19,850

Flotation	2,375	362	353	10,599
Total	2,848	638	366	30,449
30 June 2021				
SART processing	512	301	12	22,428
Flotation	2,652	394	539	15,216
Total	3,164	695	551	37,644

* including Government of Azerbaijan's share.

Table 13 – Total copper concentrate (including gold and silver) production and sales from both SART and flotation processing for the year ended 31 December 2020 and the six months ended 30 June 2021

Quarter ended	Concentrate production* (dmt)	Copper content* (tonnes)	Gold content* (ounces)	Silver content* (ounces)	Concentrate sales** (dmt)	Concentrate sales** (\$000)
31 March 2020	2,994	559	833	30,790	2,018	2,863
30 June 2020	3,171	648	580	20,399	3,526	4,707
H1 2020	6,165	1,207	1,413	51,189	5,544	7,570
30 Sept 2020	3,266	688	483	25,564	2,084	3,377
31 Dec 2020	3,350	696	258	28,365	4,211	6,763
H2 2020	6,616	1,384	741	53,929	6,295	10,140
FY 2020	12,781	2,591	2,154	105,118	11,839	17,710
31 March 2021	2,848	638	366	30,499	-	-
30 June 2021	3,164	695	551	37,644	8,408	9,066
H1 2021	6,012	1,333	917	68,143	8,408	9,066

* including Government of Azerbaijan's share

** excluding Government of Azerbaijan's share

Some of the figures in the above table may differ from previously reported due to agreement of final assay.

Infrastructure

The Gedabek contract area is served by excellent infrastructure. The main site is located at the town of Gedabek which is connected by a good tarmac road to the regional capital of Ganja. Baku, the capital of Azerbaijan to the south and the country's border with Georgia to the north, are each approximately a four to five hour drive over excellent roads. The site is connected to the Azeri national power grid and there is a dedicated sub-station located at the main Gedabek processing facilities.

Water management

The Gedabek site has its own water treatment plant which was constructed in 2017 and which uses the latest reverse osmosis technology. In the last few years, Gedabek town has

experienced water shortages in the summer and this plant reduces the consumption of fresh water required by the Company to the absolute minimum.

Tailings (waste) storage

The Company is very mindful of the importance of safe and proper tailings storage both for efficient operation of its processing plants and to fulfil its responsibilities to local communities and the environment. Tailings are stored in a purpose-built dam approximately seven kilometres from its processing facilities, topographically at a lower level than the processing plant, thus allowing gravity assistance of tailings flow in the slurry pipeline. Immediately downstream of the tailings dam is a reed bed biological treatment system to purify any seepage from the dam before discharge into the nearby Shamkir river.

The wall of the tailings dam was raised by seven metres in 2020 increasing the capacity of the tailings dam to 6.0 million cubic metres. This is the final raise of the tailings dam wall and the dam now has sufficient capacity for tailings to approximately the end of 2022. There are two pipelines from the Company's processing facilities to the tailings dam to increase pipeline capacity and provide redundancy. During H1 2021, various measures have been taken to ensure a more even discharge of tailings into the current tailings dam.

A site for the construction of a new tailings dam has been identified. It is anticipated that the design work for the new tailings dam will commence later in 2021.

Health, safety and environmental

The health and safety of our employees and the protection of the environment in and around our mine properties are prime concerns for the Company's board and senior management team. The health, safety and environmental ("HSE") department at Gedabek has a qualified HSE manager, assisted by a team of HSE officers. Overall strategy for HSE matters in the Company is overseen by the HSE and Technical committee ("HSET"), which is chaired by a board director, Professor John Monhemius. The HSET committee meets twice a year usually at the Gedabek site, although the meeting in H1 2021 was held by videoconferencing due to the COVID-19 pandemic.

During H1 2021, there were six reportable safety incidents (H1 2020: seven) but no major accidents occurred. There were nil (H1 2020: one) lost time incidents (LTI), where the casualty had to take time off work. The Company continues to target the major achievement of two million man-hours working without any lost time injury. This follows on from the Company reporting on 24 July 2020 that one million man-hours working without lost time injury had been achieved.

The HSE department continued in H1 2021 to vigilantly monitor and put in place measures to prevent the spread of the COVID-19 virus, in addition to its regular environmental monitoring

programme, which includes seismic monitoring of blasting, water sampling and monitoring of production, in particular toxic waste.

Gosha

The Gosha contract area is 300 square kilometres in size and is situated in western Azerbaijan, 50 kilometres north-west of Gedabek. Gosha is the location of a small, high grade, underground gold mine. Ore mined at Gosha is transported by road to Gedabek for processing.

There was no mining or geological field work carried out at Gosha in the six months to 30 June 2021. However, geological interpretation for drill planning was carried out and actual drilling started in July 2021.

Ordubad

The 462 square kilometre Ordubad contract area is located in Nakhchivan, south-west Azerbaijan and contains numerous targets. There was no geological exploration work carried out at Ordubad in the six months to 30 June 2021 due to the COVID-19 pandemic restrictions on internal travel.

Restored contract areas

Karabakh is a mountainous enclave wholly within the borders of Azerbaijan. It is bordered by seven districts of Azerbaijan which were occupied by Armenia in 1994 (the "Occupied Territories").

With the cessation of the hostilities over Karabakh and the Occupied Territories in November 2020, the seven districts which surround Karabakh, which have always been recognised by international bodies as being part of Azerbaijan, have been returned to Azeri administration. These districts of Azerbaijan had been occupied by Armenia since the end of the first Karabakh war in 1994 and were the subject of four United Nations Security Council Resolutions (822, 853, 874 and 884), each calling for the withdrawal of Armenian forces.

In 1997, Anglo Asian obtained six mineral resource contract areas under a Production Sharing Agreement ("PSA") with the Government of Azerbaijan. Two of the contract areas (Soutely and Vejnaly) are located in the formerly Occupied Territories. The Soutely contract area is in the mountainous Kalbajar district and the Vejnaly contract area in the Zangilan district in the south-west of Azerbaijan. The third contract area Kyzlbulag, is located in Karabakh.

The Restored Contract Areas in the formerly Occupied Territories and Karabakh were part of Anglo Asian's original Production Sharing Agreement, along with the Active Contract Areas. All contract areas were reaffirmed to the Company by the Azerbaijan Government in 2006 and continue in good standing.

The Restored Contract Areas have continued to be held under the Company's existing PSA. However, the PSA will only commence in respect of each of these contract areas upon notification by the Government of Azerbaijan to the Company of the cessation of all hostilities and that it is safe to access the district. This notification will therefore "reset" the PSA to year zero for that contract area. Accordingly, the Company then has the right to explore the contract area for up to five years and then develop and produce for 15 years, with two further five-year extensions allowed.

The Company has always stated its intention to develop its contract areas in the formerly Occupied Territories and Karabakh upon settlement of the conflict over Karabakh and surrounding regions. The Company therefore plans to pursue its legal rights under the PSA to develop these mineral resources. Development will commence when the Company receives notice in accordance with its PSA that the Organisation on Security and Cooperation in Europe ("OSCE") (or comparable international organisation) has acknowledged a liberation of the previously occupied territories and the Company is satisfied the districts are secure.

An initial visit has been made to the Vejnaly deposit, which is located in the Zangilan district of south-western Azerbaijan. There has been some mining and small-scale processing was carried out at the deposit during the Armenian occupation, but this has now stopped. The potential for exploration and further production is currently unknown. The region has been secured by the Government of Azerbaijan and Anglo Asian is waiting for permission to permanently access the area further to evaluate its resources and infrastructure, as with the Soutely and Kyzlbulag contract areas.

Geological exploration

Summary

- Extensive drilling at the Zafar polymetallic deposit ("Zafar Deposit")
 - 35 core drill holes completed with a total length of 16,319 metres
- Maiden Mineral Resource for the Zafar Deposit published 16 July 2021
 - 8.47 million tonnes of mineralisation with average grades of 0.60 per cent. copper, 0.47 per cent. zinc and 0.30 grammes per tonne of gold
 - In-situ Mineral Resource of 51,000 tonnes of copper, 82,000 ounces of gold and 40,000 tonnes of zinc
- Considerable drilling undertaken in the Gedabek and Gadir underground mines, which are now connected and form one continuous tunnel system
 - 23 drill holes completed with a total length of 988 metres
 - Extensions to the underground mines discovered
- Infill drilling carried out in pit 5 of the Gedabek open pit
 - 5,515 metres of reverse circulation drilling completed

- Drilling intersections returned with grades of up to one per cent. copper in this copper-rich area of the main open pit
- Initial drill programme started at the southern part of the Gilar district
 - 17 surface core drill holes completed with a total length of 4,284 metres
 - Drill intersections returned with gold grades of up to 22 grammes per tonne
- Drilling continued in the vicinity of the Ugur open pit
 - 10 surface drill holes completed with a total length of 3,360 metres
 - Intercepts of up to 0.4 per cent. copper were encountered
- No geological field work was carried out at Ordubad during the period due to COVID-19 travel restrictions
 - desktop geological studies and historical drill core relogging carried out.
- Geological interpretation for drill planning carried out for Gosha in H1 2021

Gedabek geological work

Zafar Deposit

35 drill holes with a total length of 16,319 metres were completed over the Zafar area in H1 2021. 32 of these drill holes returned grades above reportable limits. One drill hole (21GED33) intersected a thickness of 110 metres of mineralisation with average grades of 0.30 grammes per tonne of gold, 8.28 grammes per tonne of silver, 0.45 per cent. copper and 0.40 per cent. zinc.

The maiden Mineral Resource estimate for the Zafar Deposit was completed during H1 2021 and published on 16 July 2021. The detailed JORC ('Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code) 2012 Edition') "JORC" Mineral Resource estimate is available on the Company's website at https://wp-angloasianmining-2020.s3.eu-west-2.amazonaws.com/media/2021/08/13121825/Zafar_Mineral_Resource_Estimate.pdf. The Table One report accompanying the JORC Mineral Resource estimate is available at https://wp-angloasianmining-2020.s3.eu-west-2.amazonaws.com/media/2021/08/13120129/ZafAr_MRE_JORC_TABLE1.pdf.

Gedabek and Gadir underground mines

The Gedabek and Gadir underground mines are now connected and form one continuous underground network of tunnels accessible from both the Gadir and Gedabek portals. Both underground drilling and mapping were carried out in H1 2021. The drilling was conducted along the tunnel connecting the Gedabek and Gadir mines and 23 drill holes (19 BQ and 4 HQ/NQ diameter) with a total length of 988 metres were completed. This underground drilling allows the Company to capture truly 3-dimensional data. Notable intersections (with over 2 metres of downhole length) included 13.08, 8.94 and 8.62 grammes per tonne of gold. The drilling results have yielded extensions to the Gedabek and Gadir underground mines.

Infill drilling at pit 5 of the Gedabek open pit

Infill reverse circulation drilling at pit 5 of the Gedabek open pit was carried out in H1 2021. The drilling was for grade control and to locate ore extensions for mining and 5,515 metres of drilling was completed. Notable intersections included 42.5 metres at 1.36 grammes per tonne of gold and eight metres at 1.18 grammes per tonne of gold. Copper grades of up to 1.02 per cent. were also returned in this copper-rich area of the Gedabek open pit.

Avshancli and Gilar

During H1 2021, detailed mapping continued over the Avshancli region and further trenching was carried out at the Avshancli-2 prospect. A drilling programme is now underway at Avshancli to assess the potential for extraction. Following this, a detailed topographic survey will be carried out to enable the estimation of the resource and assess the economics for the deposit, with a view to potentially commencing mining in late 2021 or early 2022.

Drilling commenced in H1 2021 in the southern region of the Gilar district. Seventeen drill holes with a total length of 4,284 metres were completed. Notable intersections comprised 24.5 metres at 4.16 grammes per tonne of gold, 8.4 metres at 4.98 grammes per tonne of gold and 2.75 metres at 22.21 grammes per tonne of gold. Core drilling activity is continuing in the central part of Gilar to determine the gold-copper mineralisation boundary. The Company is also assessing the economic feasibility of tunnelling for exploration to allow for underground drilling and bulk sampling.

Ugur open pit and Ugur Deeps

The Ugur pit has now been fully exhausted. However, drilling is continuing in the vicinity of the depleted open pit (Ugur Deeps region) to locate possible extensions to the deposit. Ten drill holes with a total length of 3,360 metres were drilled in H1 2021, targeting high-grade copper-silver mineralisation. Intercepts of up to 0.4 per cent. copper were encountered at depths of 100 metres and below. However, drilling has been temporarily stopped in this area, in order to focus on projects with nearer-term potential for production.

Sale of the Group's products

Important to the Group's success is the ability to transport its products to market and sell them without disruption.

In the six months to 30 June 2021, the Group shipped all its gold doré for refining to MKS Finance SA who are situated in Switzerland. The Group has contracted with Argor-Heraeus, also situated in Switzerland, for the refining of gold doré, but no shipments were made to them in the period. The Group continually reviews which refiner offers the best commercial terms, and based on these, decides to which refiner to ship each consignment. The logistics of transport and sale are well established and gold doré shipped from Gedabek arrives in Switzerland within three to five days. The proceeds of the estimated 90 per cent. of the gold content of the doré can be settled within one to two days of receipt of the doré. The Group,

at its discretion, can sell the resulting refined gold bullion to the refiner. The Group shipped all its gold doré to Switzerland in the six months to 30 June 2021 by scheduled airlifts.

The Gedabek mine site has good road transportation links and our copper and precious metal concentrate is collected by truck from the Gedabek site by the purchaser. The Group sells its copper concentrate to three metal traders as detailed in note 2 to the Group interim financial statements below. The contracts with each metal trader are periodically renewed and each new contract requires the approval of the Government of Azerbaijan. Some minor delays in selling concentrate have been experienced whilst waiting for Government approval of new contracts.

Financial Review

Group statement of income

The Group generated revenues in the six months ended 30 June 2021 ("H1 2021") of \$43.5 million ("m") (H1 2020: \$45.8m) from the sales of gold and silver bullion and copper and precious metal concentrate.

The revenues in H1 2021 included \$35.0m (H1 2020: \$39.6m) generated from the sales of gold and silver bullion from the Group's share of the production of doré bars. Bullion sales in H1 2021 were 19,582 ounces of gold and 7,616 ounces of silver (H1 2020: 23,979 ounces of gold and 5,883 ounces of silver) at an average price of gold of \$1,776 per ounce and an average price of silver of \$27 per ounce (H1 2020: \$1,649 per ounce and \$17 per ounce respectively). In addition, the Group generated revenue in H1 2021 of \$8.5m (H1 2020: \$6.2m) from the sale of 8,408 dry metric tonnes (H1 2020: 5,544 dry metric tonnes) of copper and precious metal concentrate.

The Group did not hedge any metal sales during the year ending 31 December 2020 or the 6 months ending 30 June 2021.

The Group incurred cost of sales in H1 2021 of \$34.7m (H1 2020: \$31.2m) as follows:

	H1 2021 (\$m)	H1 2020 (\$m)	B/(W)* (\$m)
Cash cost of sales**	27.8	22.8	(5.0)
Depreciation and amortisation	7.7	9.3	1.6
Cash costs, depreciation and amortisation	35.5	32.1	(3.4)
Capitalised costs	(1.2)	(2.3)	(1.1)
Cost of sales before inventory movement	34.3	29.8	(4.5)
Inventory movement	0.4	1.4	1.0
Cost of sales per the Group statement of income	34.7	31.2	(3.5)

*B/(W) – Better or Worse

***Cash costs of sales are defined as cost of sales per the Group statement of income less depreciation and amortisation plus capitalised costs adjusted by the movement in the period of opening and closing inventory. A reconciliation of cash cost of sales to cost of sales per the Group income statement is given in the table above.*

The higher cash costs in H1 2021 compared to H1 2020 were largely due to higher reagent, spare part and consumable costs. Depreciation decreased by \$1.6m from \$9.3m in H1 2020 to \$7.7m in H1 2021 due to lower gold production. Accumulated mine development costs within producing mines are depreciated and amortised on a unit-of-production basis over the economically recoverable reserves of the mine concerned, except in the case of assets whose useful life is shorter than the life of the mine, in which case the straight-line method is applied. The unit of account for run of mine ("ROM") costs and for post-ROM costs are recoverable ounces of gold.

Administration expenses in H1 2021 were \$2.6m compared to \$2.4m in H1 2020. The Group's administration expenses comprise the cost of the administrative staff and associated costs at the Gedabek mine site, the Baku office and maintaining the Group's listing on AIM.

Finance costs in H1 2021 were \$0.2m (H1 2020: \$0.3m) and comprise interest on letters of credit, interest on lease liabilities and accretion expenses on the rehabilitation provision. The costs were lower in H1 2021 compared to H1 2020 as there was no bank debt outstanding during the six months ended 30 June 2021. The remaining Group debt was repaid in H1 2020 and the Group was bank debt free at 1 January 2021 and 30 June 2021. Other expense in H1 2021 of \$75,000 (H1 2020: \$nil) was the loss realised on the sale of 325,000 shares in Conroy Gold and Natural Resources PLC. The shares were acquired at 16 pence per share in H2 2020 and sold for 25 pence per share in H1 2021 for a profit of £29,800. The shares were revalued to market value at 31 December 2020 which resulted in an unrealised profit in FY2020 of \$116,000. This unrealised profit was partially offset by the loss in H1 2021 of \$75,000 which was the subsequent revaluation of the shares to their selling price.

The Group had a taxation charge in H1 2021 of \$2.4m (H1 2020: \$3.2m). This comprised a current income tax charge of \$1.8m (H1 2020: \$5.2m) and a deferred tax charge of \$0.6m (H1 2020: credit of \$2.0m). The current income tax charge of \$2.4m was incurred by R.V. Investment Group Services ("RVIG") in Azerbaijan. RVIG had no taxable losses brought forward at 1 January 2021 and the charge is therefore its estimated taxable profits for H1 2021 of \$5.6m taxed at 32 per cent. (the rate stipulated in the Group's production sharing agreement).

All-in sustaining cost of production

AISC is a widely used, standardised industry metric and is a measure of how our operation compares to other producers in the industry. AISC is calculated in accordance with the World Gold Council's Guidance Note on Non-GAAP Metrics dated 27 June 2013. The AISC calculation

includes a credit for the revenue generated from the sale of copper and silver, which are classified by the Group as by-products. There are no royalty costs included in the Company's AISC calculation as the Production Sharing Agreement with the Government of Azerbaijan is structured as a physical production sharing arrangement. Therefore, the Company's AISC is calculated using a cost of sales, which is the cost of producing 100 per cent. of the gold and such costs are allocated to total gold production including the Government of Azerbaijan's share.

The Group produced gold at an all-in sustaining cost ("AISC") per ounce in H1 2021 of \$848 compared to \$743 in H1 2020. The Group reports its cash cost as an AISC calculated in accordance with the World Gold Council's guidance which is a standardised metric in the industry and includes the credit from the sales of silver and copper.

The Company experienced cost inflation in H1 2021 for its consumables, especially imported reagents. The price of diesel fuel also increased in Azerbaijan in January 2021 by 33.3 per cent. to US 47 cents a litre adding approximately \$0.5 million to the costs for H1 2021. The cyanide consumption of the agitation leaching plan also increased significantly due to only processing sulphide ores containing copper.

Group statement of financial position

Non-current assets decreased from \$92.5m at 31 December 2020 to \$90.9m at 30 June 2021. The reason for the decrease was property, plant and equipment (including leased assets) being lower by \$3.8m due to depreciation in the period. Intangible assets increased from \$24.0m at 31 December 2020 to \$26.2m at 30 June 2021 due to expenditure on geological exploration and evaluation of \$2.8m partially offset by amortisation of \$0.6m in respect of mining rights.

Net current assets were \$71.8m at 30 June 2021 compared to \$67.8m at 31 December 2020. The reason for the increase was a decrease in income taxes payable of \$5.8m. The Group had a \$6.2m liability for RVIG profits tax at 31 December 2020 which was settled in H1 2021. The Group's cash balances at 30 June 2021 were \$36.6m (31 December 2020: \$38.8m). Surplus cash is maintained in US dollars and placed on fixed deposit with several banks at tenors of between one to three months at interest rates of around 0.4 to 1.5 per cent.

Shareholders' equity of the Group at 30 June 2021 was \$123.8m (31 December 2020: \$122.0m). The increase was due to the profit retained in the period of \$3.5m less the special dividend paid on 11 March 2021 of \$1.7m. There were no shares issued in H1 2021.

The Group was financed only by equity at 31 December 2020 and 30 June 2021 as there was no bank debt outstanding as the Group's remaining outstanding bank loan was repaid in H1 2020.

In June 2020, the Group entered into a three-year standby credit facility with Pasha Bank OJSC. The facility was for \$15m cash borrowings and \$3m to secure letters of credit. The interest rate for cash borrowings is 4.75 per cent. per annum. The repayment date for any tranche of borrowing is determined at the time of draw-down and interest is payable monthly. The facility has not been utilised to date.

Group statement of cash flow

Operating cash inflow before movements in working capital for H1 2021 was \$14.0m (H1 2020: \$21.5m). The main source of operating cash flow was operating profit before the non-cash charges of depreciation and amortisation in H1 2021 of \$13.9m (H1 2020: \$21.3m).

Working capital movements in H1 2021 absorbed cash of \$0.8m (H1 2020: generated cash of \$5.6m) largely due to an increase in trade and other debtors (excluding gold held due to the Government of Azerbaijan) of \$2.5m (H1 2020: decrease of \$3.4m). The increase in trade and other debtors at 30 June 2021 was mainly due to an increase in VAT refund due of \$1.1m (H1 2020: \$0.9m) and trade receivables at fair value of \$1.3m (H1 2020: decrease of \$1.0m).

Cash flows from operations in H1 2021 at \$13.2m was \$13.8m lower than \$27.0m in H1 2020 due to lower operating cash flow before movements in working capital and the cash absorbed by working capital.

The Group paid corporation tax in H1 2021 of \$7.5m (H1 2020: \$5.7m) in Azerbaijan. These were payments on account of RVIG's liability for the year ending 31 December 2021 of \$1.3m and a final settlement in respect of the year ended 31 December 2020 of \$6.2m.

Expenditure on property, plant and equipment in H1 2021 was \$3.3m (H1 2020: \$5.6m). The main items of expenditure in H1 2021 were deferred stripping costs of \$1.1m, land compensation costs of \$0.7m and Gedabek and Gadir mine development costs of \$0.5m.

Exploration and evaluation expenditure incurred and capitalised in H1 2021 was \$2.8m (H1 2020: \$2.4m). This arose on exploration at the Gedabek, Gosha and Ordubad contract areas. The expenditure was \$2.7m, \$0.1m and \$nil respectively. There was no geological field work undertaken at Gosha and Ordubad in H1 2021.

COVID-19 pandemic and the restoration of three contract areas to the Company

From February 2021, the Government of Azerbaijan started lifting many of the restrictions imposed to restrict the spread of the coronavirus. By 30 June 2021, very little of the Group's operations were affected by the COVID-19 pandemic. The Group was able to freely rotate staff and to ship doré to Switzerland by scheduled airlifts. Management evaluated that the COVID-19 pandemic had no material effect on the financial results for the six months ended 30 June 2021 due to lost production and increased costs.

As a result of the ceasefire agreement in late 2020 following the conflict between Azerbaijan and Armenia, three contract areas were restored to the Group. The Group incurred no expenditure in respect of these three restored contract areas in H1 2021.

Dividends

The directors have announced a policy to target a distribution to shareholders each year comprising approximately 25 per cent. of the Group's free cash flow. This distribution will be made in two approximately equal instalments comprising an interim and final dividend. The amounts and timing of payment of the interim and final dividends will be announced each year along with the Group's interim and final results respectively. The board will review this policy each year taking into account the financing needs of the business at that time. The directors may also distribute one-off special dividends to shareholders. Free cash flow is defined as net cash flow from operating activities less capital expenditure and in H1 2021 was an outflow of \$0.4m (H1 2020: inflow \$13.4m). There is expected to be a significant improvement in free cash flow in H2 2021 to between \$10m to \$15m.

The Group paid an interim, special and final dividend in respect of the year ended 31 December 2020 totalling \$0.095 per share. The Group declares its dividends in United States dollars but pays the dividends in United Kingdom pounds sterling. The dividends declared are converted into United Kingdom pounds sterling using a five-day average of the daily sterling closing mid-price exchange rate published by the Bank of England at 16:00 each day for a week prior to the payment of each dividend. The week used for the averaging is announced at the same time as the dividend.

The directors have declared an interim dividend of \$0.045 per ordinary share in respect of the year ending 31 December 2021. The dividend will be paid on 4 November 2021 and will cost the Group \$5.1m but this amount has not been accrued in the H1 2021 financial statements.

Production sharing agreement

In accordance with the terms of the Production Sharing Agreement ("PSA") with the Government of Azerbaijan ("Government"), the Group and the Government share the commercial products of each mine. The Government's share is 51 per cent. of "Profit Production". Profit Production is defined as the value of production, less all capital and operating cash costs incurred during the period when the production took place. Profit Production for any period is subject to a minimum of 25 per cent. of the value of the production. This is to ensure the Government always receives a share of production. The minimum Profit Production is applied when the total capital and operating cash costs (including any unrecovered costs from previous periods) are greater than 75 per cent. of the value of production. All operating and capital cash costs in excess of 75 per cent. of the value of production can be carried forward indefinitely and set off against the value of future production.

Profit Production for the Group has been subject to the minimum 25 per cent. since commencement of production including both the year to 31 December 2020 and the 6 months to 30 June 2021. The Government's share of production in the six months to 30 June 2021 (as in all previous periods) was therefore 12.75 per cent. being 51 per cent. of 25 per cent. with the Group entitled to the remaining 87.25 per cent. The Group was therefore subject to an effective royalty on its revenues in the six months to 30 June 2021 of 12.75 per cent. (six months to 30 June 2020: 12.75 per cent.) of the value of its production.

The Group can recover the following costs in accordance with the PSA for its Gedabek contract area:

- all direct operating expenses of the Gedabek mine;
- all exploration expenses incurred on the Gedabek contract area;
- all capital expenditure incurred on the Gedabek mine;
- an allocation of corporate overheads - currently, overheads are apportioned to Gedabek according to the ratio of direct capital and operating expenditure at the Gedabek contract area compared with direct capital and operational expenditure at the Gosha and Ordubad contract areas; and
- an imputed interest rate of United States Dollar LIBOR + 4 per cent. per annum on any unrecovered costs.

Unrecovered costs are calculated separately for the three contract areas of Gedabek, Gosha and Ordubad and can only be recovered against production from their respective contract areas. The methodology for the calculation of the unrecovered costs for the Gosha and Ordubad contract areas is the same as for the Gedabek contract area. The total unrecovered costs for the Gedabek and Gosha contract areas at 30 June 2021 were \$34.7m and \$27.9m respectively (31 December 2020: \$36.9m and \$27.3m respectively).

Foreign currency exposure

The Group reports in US dollars and a substantial proportion of its business is conducted in either US dollars or the Azerbaijan Manat ("AZN") which has been stable at AZN 1 equalling approximately \$0.58 during the six months ended 30 June 2021. In addition, the Company's revenues and its debt facility are denominated in US dollars. The Company currently does not have any significant exposure to foreign exchange fluctuations and the situation is kept under review.

Going concern

The directors have prepared the condensed Group interim financial statements on a going concern basis after reviewing the Group's forecast cash position for the period to 30 September 2022 and satisfying themselves that the Group will have sufficient funds on hand to meet its obligations as and when they fall due over the period of their assessment. Appropriate rigour and diligence has been applied by the directors who believe the assumptions are prepared on a realistic basis using the best available information.

The Group had cash balances of \$36.6 million and no bank debt at 30 June 2021. The directors have prepared a base case cash flow forecast that assumes production is consistent with the business plan and gold prices of \$1,650 and \$1,700 for 2021 and \$1,750 for 2022. The gold prices are lower than that used for the impairment testing at 30 June 2021 to add further conservatism to the forecast. The base case cash flow forecast shows the Group is able to fund its working capital requirements from cash generated from its operations at Gedabek provided production is maintained and finished products sold. The Group has access to local sources of both short and long term finance should this be required and has an \$15 million standby credit facility with Pasha Bank as a contingency measure which is available until April 2023 with no conditions on drawdown.

From February 2021, the Government of Azerbaijan started lifting many of the restrictions imposed to restrict the spread of the coronavirus. By the third quarter of 2021, few restrictions remained and these were not having any effect on the ability of the business to operate. The directors believe that the ability of the Company to operate throughout 2020 demonstrates the resilience of the business should further restrictions be imposed due to any future intensification of the COVID-19 pandemic.

The directors continue to review various severe downside scenarios under which the business may in future be required to operate as a result of any future intensification of the COVID-19 pandemic. These downside scenarios are six months of continuing production but having to stockpile finished product for later sale and secondly the full going concern period where production is either disrupted or shut down and the business placed on care and maintenance. No revenue is assumed in both downside scenarios. It is currently costing approximately \$5.0 million per month to continue in production and estimated it would cost approximately \$1.0 million per month to place the business on care and maintenance. The directors will manage any disruption to, or cessation of, production or inability to sell the Company's products as circumstances dictate. Under the downside scenarios the Group's forecasts to have the financial resources to continue as a going concern, utilising the standby credit facility where necessary. The directors believe the likelihood of both downside scenarios to be very remote given the resilience demonstrated in the eighteen months to 30 June 2021.

The Group's business activities, together with the factors likely to affect its future development, performance and position, can be found within the chairman's statement and the strategic report above. The financial position of the Group, its cash flow, liquidity position and borrowing facilities are discussed within the financial review above.

After making due enquiry, the directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable

future. Accordingly, the directors continue to adopt the going concern basis in preparing the condensed Group interim financial statements for the 6 months to 30 June 2021.

Reza Vaziri

President and Chief executive Officer

William Morgan

Chief Financial Officer

22 September 2021

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 Director of Geology & Mining, who is a Fellow of The Geological Society of London, a Chartered Geologist, Fellow of the Society of Economic Geologists, Member 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'; who is a Member or Fellow of a 'Recognised Professional Organisation' (RPO) included in a list that is posted on the ASX website from time to time (Chartered Geologist and Fellow of the Geological Society and Member of the Institute of Material, Minerals and Mining).

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 resources and reserves included in this announcement and consents to the inclusion in the announcement of the matters based on his information in the form and context in which it appears.

Anglo Asian Mining plc

Condensed group statement of income

Six months ended 30 June 2021

	Notes	6 months to 30 June 2021 (unaudited) \$000	6 months to 30 June 2020 (unaudited) \$000
Revenue	2	43,521	45,832
Cost of sales		(34,652)	(31,152)

Gross profit		8,869	14,680
Other operating income		52	35
Administrative expenses		(2,550)	(2,424)
Other operating expenses		(285)	(303)
Operating profit		6,086	11,988
Finance costs		(181)	(303)
Finance income		84	66
Other expense		(75)	-
Profit before tax		5,914	11,751
Income tax expense	3	(2,359)	(3,183)
Profit attributable to the equity holders of the parent		3,555	8,568
Profit per share attributable to the equity holders of the parent		3,555	8,568
Basic (US cents per share)	4	3.11	7.49
Diluted (US cents per share)	4	3.11	7.49

Anglo Asian Mining plc Condensed group statement of comprehensive income

Six months ended 30 June 2021

	6 months to 30 June 2021 (unaudited) \$000	6 months to 30 June 2020 (unaudited) \$000
Profit for the period	3,555	8,568
Total comprehensive profit for the period	3,555	8,568
Attributable to the equity holders of the parent company	3,555	8,568

Anglo Asian Mining plc Condensed group statement of financial position

30 June 2021

	Notes	30 June 2021 (unaudited) \$000	30 June 2020 (unaudited)	31 December 2020 (audited) \$000
Non-current assets				
Intangible assets	5	26,150	21,705	23,965
Property, plant and equipment	6	62,792	67,059	66,680
Leased assets	7	1,928	2,938	1,809
		90,870	91,702	92,454
Current assets				
Inventory	8	40,491	41,951	41,457
Trade and other receivables	9	15,322	34,080	6,830
Other current financial assets		-	-	185
Cash and cash equivalents		36,640	29,167	38,848
		92,453	105,198	87,320

Total assets		183,323	196,900	179,774
Current liabilities				
Trade and other payables	10	(19,535)	(38,726)	(12,820)
Income taxes payable		(594)	(2,267)	(6,265)
Lease liabilities	7	(520)	(675)	(465)
		(20,649)	(41,668)	(19,550)
Net current assets		71,804	63,530	67,770
Non-current liabilities				
Provision for rehabilitation		(11,833)	(10,606)	(11,833)
Lease liabilities	7	(1,541)	(2,394)	(1,482)
Deferred tax liability	3	(25,494)	(24,612)	(24,947)
		(38,868)	(37,612)	(38,262)
Total liabilities		(59,517)	(79,280)	(57,812)
Net assets		123,806	117,620	121,962
Equity				
Share capital	11	2,016	2,016	2,016
Share premium account	12	33	33	33
Merger reserve		46,206	46,206	46,206
Retained earnings		75,551	69,365	73,707
Total equity		123,806	117,620	121,962

Anglo Asian Mining plc

Condensed group statement of cash flows

Six months ended 30 June 2021

	6 months to 30 June 2021 (unaudited) \$000	6 months to 30 June 2020 (unaudited) \$000
Cash flows from operating activities		
Profit before tax	5,914	11,751
Adjustments to reconcile profit before tax to net cash flows:		
Finance costs	181	303
Finance income	(84)	(66)
Unrealised loss on financial instruments	75	-
Gain on the modification of lease liabilities	-	(35)
Depreciation of owned assets	7,092	8,573
Depreciation of leased assets	245	339
Amortisation of mining rights and other intangible assets	625	631
Operating cash flow before movements in working capital	14,048	21,496
(Increase) / decrease in trade and other receivables	(2,479)	3,424
Decrease in inventories	966	1,930
Increase in trade and other payables	695	197
Cash from operations	13,230	27,047
Income taxes paid	(7,482)	(5,660)
Net cash flow from operating activities	5,748	21,387
Cash flows from investing activities		
Expenditure on property, plant and equipment and mine development	(3,299)	(5,574)
Investment in exploration and evaluation activities	(2,810)	(2,371)

Proceeds from the sale of financial instruments	110	-
Interest received	84	66
Net cash used in investing activities	(5,915)	(7,879)
Cash flows from financing activities		
Dividends paid	(1,711)	-
Repayment of borrowings	-	(1,688)
Interest paid - borrowings	-	(20)
Interest paid - lease liabilities	(80)	(126)
Repayment of lease liabilities	(250)	(308)
Net cash used in financing activities	(2,041)	(2,142)
Net (decrease) / increase in cash and cash equivalents	(2,208)	11,366
Cash and cash equivalents at beginning of period	38,848	17,801
Cash and cash equivalents at end of the period	36,640	29,167

Anglo Asian Mining plc

Condensed group statement of changes in equity

Six months ended 30 June 2021
(unaudited)

	Notes	Share capital \$000	Share premium \$000	Merger reserve \$000	Retained earnings \$000	Total equity \$000
1 January 2021		2,016	33	46,206	73,707	121,962
Profit for the period		-	-	-	3,555	3,555
Cash dividends paid	13	-	-	-	(1,711)	(1,711)
30 June 2021		2,016	33	46,206	75,551	123,806

Six months ended 30 June 2020
(unaudited)

	Notes	Share capital \$000	Share premium \$000	Merger reserve \$000	Retained earnings \$000	Total equity \$000
1 January 2020		2,016	33	46,206	60,797	109,052
Profit for the period		-	-	-	8,568	8,568
30 June 2020		2,016	33	46,206	69,365	117,620

Year ended 31 December 2020
(audited)

	Notes	Share capital	Share premium	Merger reserve	Retained	Total equity
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	\$000	\$000	\$000	earnings \$000	\$000
1 January 2020	2,016	33	46,206	60,797	109,052
Profit for the year	-	-	-	23,221	23,221
Cash dividends paid	13	-	-	(10,311)	(10,311)
31 December 2020	2,016	33	46,206	73,707	121,962

Anglo Asian Mining plc Notes to the condensed Group interim financial statements

Six months ended 30 June 2021

1 General information

Anglo Asian Mining plc (the "Company") is a company incorporated in England and Wales under the Companies Act 2006. The Company's ordinary shares are traded on the AIM market of the London Stock Exchange plc. The Company is a holding company. The principal activity of the Company and its subsidiaries (the "Group") is operating a portfolio of mining operations and metal production facilities within Azerbaijan.

Basis of preparation

The condensed Group interim financial statements for the six-month period ending 30 June 2021 have been prepared in accordance with IAS 34 'Interim Financial Reporting' as issued by the International Accounting Standards Board and IAS 34 as adopted for use in the United Kingdom. The information for the half year ended 30 June 2021 does not constitute statutory accounts as defined in section 435 of the Companies Act 2006. A copy of the statutory accounts for the year ended 31 December 2020 has been delivered to the Registrar of Companies. The auditor's report on those accounts was not qualified, did not include a reference to any matters to which the auditor drew attention by way of an emphasis of matter and did not contain a statement under sections 498(2) or 498(3) of the Companies Act 2006. The condensed Group interim financial statements have not been audited.

The condensed Group interim financial statements have been prepared under the historical cost convention. The condensed Group interim financial statements are presented in United States dollars ("\$") and all values are rounded to the nearest thousand except where otherwise stated. In the condensed group interim financial statements "£" and "pence" are references to the United Kingdom pound sterling, "€" to the Euro and "AZN" is a reference to the Azerbaijan New Manat.

Accounting policies and new standards, interpretations and amendments

The annual financial statements of Anglo Asian Mining plc are prepared in accordance with IFRSs as issued by the International Accounting Standards Board and in conformity with the requirements of the Companies Act 2006. The condensed Group interim financial statements included in this half-yearly financial report have been prepared in accordance with IAS 34 'Interim Financial Reporting' as issued by the International Accounting Standards Board and in conformity with the requirements of the Companies Act 2006.

The accounting policies adopted in the preparation of the half-yearly condensed Group interim financial statements for 2021 are consistent with those followed in the preparation of the Group's annual report and accounts for 2020, except for the adoption of new standards that became effective from 1 January 2021. The Group has not adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments and interpretations apply for the first time in 2021, but do not have an impact on the condensed Group interim financial statements.

Going concern

The directors have prepared the condensed Group interim financial statements on a going concern basis after reviewing the Group's forecast cash position for the period to 30 September 2022 and satisfying themselves that the Group will have sufficient funds on hand to meet its obligations as and when they fall due over the period of their assessment. Appropriate rigour and diligence has been applied by the directors who believe the assumptions are prepared on a realistic basis using the best available information.

The Group had cash balances of \$36.6 million and no bank debt at 30 June 2021. The directors have prepared a base case cash flow forecast that assumes production is consistent with the business plan and gold prices of \$1,650 and \$1,700 for 2021 and \$1,750 for 2022. The gold prices are lower than that used for the impairment testing to add further conservatism to the forecast. The base case cash flow forecast shows the Group is able to

fund its working capital requirements from cash generated from its operations at Gedabek provided production is maintained and finished products sold. The Group has access to local sources of both short and long term finance should this be required and has an \$15 million standby credit facility with Pasha Bank as a contingency measure which is available until April 2023 with no conditions on drawdown.

From February 2021, the Government of Azerbaijan started lifting many of the restrictions imposed to restrict the spread of the coronavirus. By the third quarter of 2021, few restrictions remained and these were not having any effect on the ability of the business to operate. The directors believe that the ability of the Company to operate throughout 2020 demonstrates the resilience of the business should further restrictions be imposed due to any future intensification of the COVID-19 pandemic.

The directors continue to review various severe downside scenarios under which the business may in future be required to operate as a result of any future intensification of the COVID-19 pandemic. These downside scenarios are six months of continuing production but having to stockpile finished product for later sale and secondly the full going concern period where production is either disrupted or shut down and the business placed on care and maintenance. No revenue is assumed in both downside scenarios. It is currently costing approximately \$5.0 million per month to continue in production and estimated it would cost approximately \$1.0 million per month to place the business on care and maintenance. The directors will manage any disruption to, or cessation of, production or inability to sell the Company's products as circumstances dictate. Under the downside scenarios the Group's forecasts to have the financial resources to continue as a going concern, utilising the standby credit facility where necessary. The directors believe the likelihood of both downside scenarios to be very remote given the resilience demonstrated in the eighteen months to 30 June 2021.

The Group's business activities, together with the factors likely to affect its future development, performance and position, can be found within the chairman's statement and the strategic report above. The financial position of the Group, its cash flow, liquidity position and borrowing facilities are discussed within the financial review above.

After making due enquiry, the directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the condensed Group interim financial statements for the 6 months to 30 June 2021.

2 Operating segments

The Group determines operating segments based on the information that is internally provided to the Group's chief operating decision maker. The chief operating decision maker has been identified as the board of directors. The board of directors currently considers consolidated financial information for the entire Group and reviews the business based on the Group income statement and Group statement of financial position in their entirety. Accordingly, the Group has only one operating segment, mining operations. The mining operations comprise the Group's major producing asset, the open cast and underground mines located at the Gedabek and Gosha licence areas, which account for all the Group's revenues and the majority of its cost of sales, depreciation and amortisation. The Group's mining operations are all located within Azerbaijan and therefore all within one geographic segment.

Sales of gold within doré and gold and silver bullion were made to two customers, the Group's gold refiners, MKS Finance SA and Argor-Heraeus SA, both based in Switzerland.

The gold and copper concentrate was sold in 2020 and 2021 to Industrial Minerals SA, Trafigura PTE Ltd and Metal-Kim Metalurji Ve Kimya Tarim Sanayi Tic Ltd Sti.

3 Income tax

The income taxation charge for the 6 months ended 30 June 2021 represents a current income tax charge of \$1.8m (2020: \$5.2m) and a deferred taxation charge of \$0.6m (2020: deferred tax credit of \$2.0m). These current and deferred taxation charges are in respect of the representative office registered in Azerbaijan of RV Investment Group Services LLC (a wholly owned subsidiary of the Company). The taxable profits of the operating company in Azerbaijan are taxed at 32 per cent. However, the overall tax rate is higher than 32 per cent. because the UK administrative costs and depreciation of mining rights in Azerbaijan cannot be offset against the taxable profits arising in Azerbaijan.

The deferred taxation asset or liability is calculated at the taxation rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred taxation is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred taxation is also dealt with in equity.

Deferred taxation assets and liabilities are offset when there is a legally enforceable right to offset current taxation assets against current taxation liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current taxation assets and liabilities on a net basis.

At 30 June 2021, the Group has unused taxation losses within the Company and a subsidiary (Anglo Asian Operations Limited) available for offset against future profits. No deferred taxation asset has been recognised in respect of such losses due to the unpredictability of future profit streams. Unused taxation losses may be carried forward indefinitely.

4 Profit per ordinary share

Profit per ordinary share	6 months to 30 June 2021 (unaudited) \$000	6 months to 30 June 2020 (unaudited) \$000
Profit after tax for the period	3,555	8,568
Basic profit per share (US cents)	3.11	7.49
Diluted profit per share (US cents)	3.11	7.49

Weighted average number of shares	Number	Number
For basic earnings per share	114,392,024	114,392,024
For diluted earnings per share	114,392,024	114,392,024

5 Intangible assets

	Exploration & evaluation Gedabek (unaudited) \$000	Exploration & evaluation Gosha (unaudited) \$000	Exploration & evaluation Ordubad (unaudited) \$000	Mining rights (unaudited) \$000	Other intangible assets (unaudited) \$000	Total (unaudited) \$000
Cost						
1 January 2020	6,274	830	5,536	41,925	562	55,127
Additions	4,240	812	215	-	-	5,267
31 December 2020	10,514	1,642	5,751	41,925	562	60,394
Additions	2,687	109	14	-	-	2,810
30 June 2021	13,201	1,751	5,765	41,925	562	63,204
Amortisation and impairment						
1 January 2020	-	-	-	34,733	429	35,162
Charge for year	-	-	-	1,233	34	1,267
31 December 2020	-	-	-	35,966	463	36,429
Charge for period	-	-	-	623	2	625
30 June 2021	-	-	-	36,589	465	37,054
Net book value						
31 December 2020	10,514	1,642	5,751	5,959	99	23,965
30 June 2021	13,201	1,751	5,765	5,336	97	26,150

6 Property, plant and equipment

	Plant and equipment and motor vehicles (unaudited) \$000	Producing mines (unaudited) \$000	Assets under construction (unaudited) \$000	Total (unaudited) \$000
Cost				

1 January 2020	24,588	210,649	80	235,317
Additions	619	8,734	1,510	10,863
Increase in provision for rehabilitation	-	1,038	-	1,038
31 December 2020	25,207	220,421	1,590	247,218
Additions	807	2,430	62	3,299
Decrease in provision for rehabilitation	-	(95)	-	(95)
30 June 2021	26,014	222,756	1,652	250,422

Depreciation and impairment

1 January 2020	20,023	145,566	-	165,589
Charge for year	1,743	13,206	-	14,949
31 December 2020	21,766	158,772	-	180,538
Charge for period	699	6,393	-	7,092
30 June 2021	22,465	165,165	-	187,630

Net book value

31 December 2020	3,441	61,649	1,590	66,680
30 June 2021	3,549	57,591	1,652	62,792

7 Leases

Right of use assets

	Plant and equipment and motor vehicles (unaudited) \$000	Producing mines (unaudited) \$000	Total (unaudited) \$000
Cost			
1 January 2020	3,934	483	4,417
Additions	-	70	70
Lease modifications	(1,577)	-	(1,577)
31 December 2020	2,357	553	2,910
Additions	-	364	364
30 June 2021	2,357	917	3,274

Depreciation and impairment

1 January 2020	657	138	795
Charge for year	477	150	627
Lease modifications	(321)	-	(321)
31 December 2020	813	288	1,101
Charge for period	192	53	245
30 June 2021	1,005	341	1,346

Net book value

31 December 2020	1,544	265	1,809
30 June 2021	1,352	576	1,928

Lease liabilities

	Total \$000
1 January 2020	3,756
Additions	70
Lease modifications	(1,328)
Interest expense	230
Repayment	(781)
31 December 2020	1,947
Addition	364
Interest expense	80
Repayment	(330)
30 June 2021	2,061

	30 June 2021 (unaudited) \$000	30 June 2020 (unaudited) \$000	31 December 2020 (audited) \$000
Current liabilities	520	675	465
Non-current liabilities	1,541	2,394	1,482
Total lease liabilities	2,061	3,069	1,947

Amount recognised in the profit and loss account

	6 months to 30 June 2021 (unaudited) \$000	6 months to 30 June 2020 (unaudited) \$000
Depreciation expense of right to use assets	245	339
Gain on lease modifications	-	(35)
Interest expense	80	126
Expense relating to short leases	98	54
	423	484

8 Inventory

	30 June 2021 (unaudited) \$000	30 June 2020 (unaudited) \$000	31 December 2020 (audited) \$000
Current assets			
Cost			
Finished goods - bullion	2,686	1,655	1,313
Finished goods - metal in concentrate	2,984	720	456
Metal in circuit	13,278	17,832	17,226
Ore stockpiles	9,127	8,929	9,464
Spare parts and consumables	12,416	12,815	12,998
Total current inventories	40,491	41,951	41,457
Total inventories at the lower of cost and net realisable value	40,491	41,951	41,457

Current ore stockpiles consist of high-grade and low-grade oxide ores that are expected to be processed during the 12 months subsequent to the balance sheet date.

Inventory is recognised at lower of cost or net realisable value.

9 Trade and other receivables

	30 June 2021 (unaudited) \$000	30 June 2020 (unaudited) \$000	31 December 2020 (audited) \$000
Current assets			
Gold held due to the Government of Azerbaijan	9,683	28,964	3,664
VAT refund due	1,086	1,588	671
Other tax receivable	238	364	256
Trade receivables – fair value*	1,866	987	614

Prepayments and advances	2,449	2,177	1,625
	15,322	34,080	6,830

**Trade receivables subject to provisional pricing.*

Trade receivables (subject to provisional pricing) are for sales of gold and copper concentrate and are non-interest-bearing, but are exposed to future commodity price movements over the quotational period ("QP") and, hence, fail the 'solely payments of principal and interest' test and are measured at fair value up until the date of settlement. These trade receivables are initially measured at the amount which the Group expects to be entitled, being the estimate of the price expected to be received at the end of the QP. Approximately 90 per cent. of the provisional invoice (based on the provisional price) is received in cash within one to two weeks from when the concentrate is collected from site, which reduces the initial receivable recognised under IFRS 15. The QPs can range between one and four months post shipment and final payment is due between 30-90 days from the end of the QP.

The Group does not consider any trade or other receivable as past due or impaired. All receivables at amortised cost have been received shortly after the balance sheet date and therefore the Group does not consider that there is any credit risk exposure. No provision for any expected credit loss has therefore been established at 30 June 2020 and 2021 and 31 December 2020.

The VAT refund due at 30 June 2020 and 2021 and 31 December 2020 relates to VAT paid on purchases.

Gold bullion held and transferable to the Government is bullion held by the Group due to the Government of Azerbaijan. The Group holds the Government's share of the product from its mining activities and from time to time transfers that product to the Government. A corresponding liability to the Government is included in trade and other payables shown in note 10.

10 Trade and other payables

	30 June 2021 (unaudited) \$000	30 June 2020 (unaudited) \$000	31 December 2020 (audited) \$000
Accruals and other payables	4,914	5,357	4,570
Trade creditors	3,630	3,287	3,369
Gold held due to the Government of Azerbaijan	9,683	28,964	3,664
Payable to the Government of Azerbaijan from copper concentrate joint sale	1,308	1,118	1,217
	19,535	38,726	12,820

Trade creditors primarily comprise amounts outstanding for trade purchases and ongoing costs. Trade creditors are non-interest bearing. Accruals and other payables mainly consist of accruals made for accrued but not paid salaries, bonuses, related payroll taxes and social contributions, accrued interest on borrowings, and services provided but not billed to the Group by the end of the reporting period. The directors consider that the carrying amount of trade and other payables approximates to their fair value.

The amount payable to the Government of Azerbaijan from copper concentrate joint sale represents the portion of cash received from the customer for the government's portion from the joint sale of copper concentrate.

11 Share capital

	Ordinary shares of 1 pence each	\$000
Ordinary shares issued and fully paid:		
1 January and 31 December 2020 and 30 June 2021	114,392,024	2,016

12 Share premium account

	\$000
1 January and 31 December 2020 and 30 June 2021	33

13 Distributions made and proposed

	Six months ended 30 June	Six months ended 30 June	Year ended 31 December

	2021 (unaudited) \$000	2020 (unaudited) \$000	2020 (audited) \$000
Cash dividends on ordinary shares declared and paid			
Final dividend for 2019: 4.5 US cents* per share	-	-	5,153
Interim dividend for 2020: 4.5 US cents** per share	-	-	5,158
Special dividend for 2020: 1.5 US cents*** per share	1,711	-	-
	1,711	-	10,311
Cash dividends on ordinary shares declared and paid subsequent to balance sheet date			
Special dividend for 2020: 1.5 US cents*** per share	-	-	1,711
Cash dividends proposed on ordinary shares			
Final dividend for 2020: 3.5 US cents**** per share	-	-	4,004
Interim dividend for 2020: 4.5 US cents** per share	-	5,158	-
Interim dividend for 2021: 4.5 US cents***** per share	5,153	-	-

* the final dividend for 2019 was declared in United States dollars but paid in Sterling in the amount of 3.5739 pence per ordinary share on 30 July 2020.

** the interim dividend for 2020 was declared in United States dollars but paid in Sterling in the amount of 3.4651 pence per ordinary share on 5 November 2020.

*** the special dividend for 2020 was declared in United States dollars but paid in Sterling in the amount of 1.0767 pence per ordinary share on 11 March 2021.

**** the final dividend for 2020 was declared in United States dollars but paid in Sterling in the amount of 2.5354 pence per ordinary share on 29 July 2021.

***** the interim dividend for 2021 is to be paid in Sterling on 4 November 2021 at a rate to be announced.

The proposed but not paid interim and final dividends for the year ending 31 December 2020 and the 6 months ended 30 June 2020 and 2021 are not recognised as liabilities in the Group statements of financial position.

14 Contingencies and commitments

The Group undertakes its mining operations in the Republic of Azerbaijan pursuant to the provisions of the Agreement on the Exploration, Development and Production Sharing for the Prospective Gold Mining Areas: Gedabek, Gosha, Ordubad Group (Piabashi, Agyurt, Shakardara, Kiliyaki), Soutely, Kyzilbulag and Vejnali Deposits dated year ended 20 August 1997 (the "PSA"). The PSA contains various provisions relating to the obligations of the R.V. Investment Group Services LLC ("RVIG"), a wholly owned subsidiary of the Company. The principal provisions are regarding the exploration and development programme, preparation and timely submission of reports to the Government, compliance with environmental and ecological requirements. The Directors believe that RVIG is in compliance with the requirements of the PSA. The Group has announced a discovery on Gosha Mining Property in February 2011 and submitted the development programme to the Government according to the PSA requirements, which was approved in 2012. In April 2012 the Group announced a discovery on the Ordubad Group of Mining Properties and submitted the development programme to the Government for review and approval according to the PSA requirements. The Group and the Government are still discussing the formal approval of the development programme.

The initial period of the mining licence for Gedabek was until March 2022. The Company has the option to extend the licence for two five-year periods (ten years in total) conditional upon satisfaction of certain requirements in the PSA. The first of the five year extensions was obtained by the Company in April 2021 and accordingly the mining licence now extends to March 2027 with a further five year extension permitted.

RVIG is also required to comply with the clauses contained in the PSA relating to environmental damage. The directors believe RVIG is substantially in compliance with the environmental clauses contained in the PSA.

15 Related party transactions

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. Transactions between the Group and other related parties are disclosed below.

Trading transactions

During the period, there were no trading transactions between group companies and related parties who are not members of the Group.

Other related party transactions

- a) Total payments in the 6 months to 30 June 2021 of \$452,000 (6 months to 30 June 2020: \$84,000) were made for equipment and spare parts purchased from Proses Muhendislik Danismanlik Inshaat ve Tasarim

Anonim Shirket ("PMDI"), an entity in which the vice president of technical services of Azerbaijan International Mining Company has a direct ownership interest. There is an outstanding payable to PMDI of \$21,000 at 30 June 2021 (30 June 2020: \$26,000 and 31 December 2020: \$39,000).

- b) Total payments in the 6 months to 30 June 2021 of \$503,000 (6 months to 30 June 2020: \$1,220,000) were made for equipment and spare parts purchased from F&H Group LLC ("F&H"), an entity in which the vice president of technical services of Azerbaijan International Mining Company has a direct ownership interest. There is an outstanding payable to F&H of \$488,000 at 30 June 2021 (30 June 2020: \$227,000 and 31 December 2020: \$249,000).

16 Approval of condensed group interim financial statements

The condensed group interim financial statements of Anglo Asian Mining plc and its subsidiaries for the six-month period ended 30 June 2021 were authorised for issue in accordance with a resolution of the directors on 22 September 2021.

****ENDS****

Notes:

Anglo Asian Mining plc (AIM:AAZ) is a gold, copper and silver producer in Central Asia with a broad portfolio of production and exploration assets in Azerbaijan. The Company produced 67,249 gold equivalent ounces ("GEOs") for the year ended 31 December 2020. The Company has a production target for the year to 31 December 2021 of 48,000 ounces to 54,000 ounces of gold and 2,500 tonnes to 2,800 tonnes of copper. This total production target expressed as gold equivalent ounces ("GEOs") at budgeted prices is between 64,000 GEOs and 72,000 GEOs.

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