

Anglo Asian Mining plc ('Anglo Asian' or 'the Company')
Interim Results

Anglo Asian Mining plc, the AIM listed emerging gold producer, is pleased to announce its interim results for the six months ended 30 June 2009.

Chairman's Statement

During the period under review we have continued to establish our position as an emerging gold producer focussed in Central Asia and Caucasia. We reached a major milestone in May 2009 as we moved from exploration into production, having completed the construction of our Gedabek gold/copper mine ('Gedabek') and poured our first gold and silver. Whilst we have a portfolio of prospective gold and copper assets over six Contract Areas in Azerbaijan totalling 1,962 sq km, at various stages of development, our main focus has been channelled towards Gedabek and ensuring its success as the first gold mine in Azerbaijan in modern times.

The Board was delighted to have moved into gold production at Gedabek, however, the initial start-up of the mine has not been without its difficulties. We have experienced technical problems at the processing facility, including the operational consistency of the secondary and tertiary crushers, the level of ore on the leach pad and the need to address geological issues around the pad, which were identified during the initial start up phase. Accordingly, we are continuing to resolve these problems to achieve our production targets.

As announced on 17 September 2009, we are expecting to produce 2,200 oz Au for the month ending 30 September 2009, which is broadly in line with our internal targets. However, production targets for October 2009 of 3,300 oz Au may be affected by the recent problems with the crushers. During August and September 2009, 34,000 tonnes of dry ore with an average gold content of 4 g/t and 16,000 tonnes of dry ore with an average gold content of 3 g/t was crushed and transferred to the leach pad which was below the forecast 50,000 tonnes for each month at 3 g/t. We expect to ramp this up to 60,000 tonnes by November 2009 and will seek to make further increases during 2010.

In order to improve the plant's performance, lower operational costs and achieve our revised production targets of 4,000 oz Au per month, i.e. circa 50,000 oz Au for 12 months of production, we have put a number of initiatives in place. These include purchasing two new cone crushers complete with spare parts with significantly higher performance levels than the existing crushers, which should be operational by the end of September 2009. Additionally we are retrofitting the stacker at the plant with upgraded key mechanical parts,

which will aid the stockpiling of ore materials and again improve the plant's operational performance. Furthermore, we are in discussions with a number of USA and European based crusher/stacker manufactures for longer-term plant modifications with a view to improving our production capacity and efficiencies.

In terms of gold sales, we achieved our first sale amounting to 630 oz Au post period end, in July 2009. Subsequently we have completed two further gold sales amounting to 1,229 oz Au during August 2009 and 617 oz Au for the first half of September 2009 at an average price of US\$983, being ahead of our internal projections. As the mine ramps up its production we expect to see gold sales increase.

Importantly, during the initial development of Gedabek, results indicated that in a number of areas the ore has higher grades than the original ore body model and there are also extensions beyond the predicted final pit boundaries. In light of this, SGS Minerals Services reviewed our existing drill logs and recommended a re-modelling and geometallurgical study to be commissioned. This is due to begin in October 2009 and it is anticipated that it will result in improved ore reserve estimations and potentially overall gold recoveries in the future.

Regarding our financial position, we secured funding from the International Bank of Azerbaijan ('IBA') in May 2009 of US\$9.4 million and then again post period in August 2009 US\$6.5 million. We currently have total outstanding loans from the IBA of US\$40.9 million, which have been primarily used for the construction of Gedabek. Additionally a US\$1 million unsecured loan was agreed with our CEO Mr. Reza Vaziri late August 2009 in addition to US\$434,000 outstanding from the previous unsecured interest free loan agreement which the Company announced on 19 March 2009. These additional loans were secured to address the working capital constraints caused by the initial delay in ramp-up of production at Gedabek and to provide additional capital as we scale up production towards full capacity.

Structured repayment schedules are in place for all loans granted by the IBA, as detailed in note 7 to the financial statements below. 20% of initial net gold sales will be used to service repayment of Reza Vaziri's US\$1 million loan with the latest date for the outstanding balance to be paid in full being 7 February 2010.

Under the terms of all loan agreements with the IBA an all inclusive interest rate of 15% has been applied to all funds drawn and there is no penalty for early repayment of these loans. Additionally, the US\$1 million loan agreed with Reza Vaziri has an all inclusive annual interest rate of 8% applied to funds drawn.

Although we are currently focussed on development and successful production at Gedabek, exploration still remains central to our long term strategy of increasing our production profile. Our portfolio runs across the Tethyan Tectonic Belt, one of the world's significant copper and gold bearing areas, and we believe our exploration portfolio has the potential to replicate Gedabek and generate further producing entities. In April 2009 the Government of Azerbaijan granted the Company an extension to continue exploration for precious and base metals until 13 April 2011 on the 300 sq km Gosha and 462 sq km Ordubad Contract Areas. Exploration programmes are now planned for 2010, where we aim to define additional resources and assess the production potential of these areas; this will be funded out of cash flow from Gedabek. We also intend to develop additional resources at Gedabek to extend the initial six year mine life, which is targeted to produce in excess of 300,000 oz Au. Additionally, we hope to develop our prospects in the 'Occupied Territories' Contract Area in Azerbaijan when the political situation permits.

On a corporate level, there were a number of changes to the Board during the period. Ross Bhappu, a Non-executive Director announced his intention to step down from his position as of 23 July 2009. I would like to take this opportunity to thank Ross for his support on behalf of the Company and wish him well in his future endeavours.

In August 2009, we announced the appointment of a new Non-executive Director, Professor John Monhemius. Professor Monhemius has a wealth of experience within the mining sector, having acted as a consultant to a number of large mining and chemical companies and having over 40 years of academic and industrial research experience. I believe his appointment complements the Company's strategy of assembling a Board with the experience and expertise to build a mid-tier gold and base metal mining company focussed in Caucasia and Central Asia.

In terms of management, we are actively seeking to appoint an Operations Manager at Gedabek to oversee day to day activities at the mine, and will update the market accordingly.

We employ approximately 250 personnel including local contractors and experienced operators from surrounding countries. Maintaining excellent health, social and environmental standards is a high priority for the Company. All employees have received technical and safety training and our track record in this respect remains excellent.

We are reporting a pre-tax loss of US\$1,961,246 for the six months ended 30 June 2009 (six months ended 30 June 2008: loss of US\$2,453,807). The second half of 2009 will see the transition from development into production and the first turnover for Anglo Asian.

The Company's cash position remains constrained due to the start-up problems at Gedabek and delayed ramp-up of production. As previously announced on 23 June 2009, 4 August 2009 and 17 September 2009, should operating costs increase significantly, ramp-up be delayed further or revenues otherwise fall short of expectations, there may be insufficient cash flow for the Group to sustain its day to day operations without seeking and relying on further financing. Accordingly, the Company continues to monitor the situation carefully and is working on various contingency plans, including seeking major shareholder support if cash flow is at insufficient levels.

Additionally, following a consultation with The Panel on Takeovers and Mergers, the Panel has confirmed that it does not currently believe the Company to be subject to the City Code on Takeovers and Mergers as Anglo Asian's place of central management and control is not located within the UK, the Channel Islands or the Isle of Man. Shareholders should note that this is subject to revision if the Company's circumstances change and the Panel amends the City Code.

In conclusion, the past six months has seen the Company enter into production to become the first gold producer in Azerbaijan. It is our intention to focus our efforts over the next few months to manage our working capital position carefully, so as to achieve full ramp-up of production at our Gedabek operation to fully realise the project's potential. When this has been achieved, we can turn our attention to our longer-term strategy of building further production entities within our portfolio and strengthening our asset base to enhance shareholder value.

Finally, I would like to thank all those involved with the Company for their efforts and support and I look forward to updating shareholders regularly on the progress of what is now a producing gold company.

Khosrow Zamani
Non-executive Chairman
25 September 2009

For further information please visit www.aamining.com or contact:

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Financials

Group Income Statement

For the 6 months ended 30 June 2009

| | | Unaudited 6 months to 30-Jun-09 | Unaudited 6 months to 30-Jun-08 | Audited Year to 31-Dec-08 |
|--|------|---------------------------------------|---------------------------------------|---------------------------------|
| | Note | US\$ | US\$ | US\$ |
| Administrative expenses | | (1,962,039) | (2,453,807) | (4,526,090) |
| OPERATING LOSS | | (1,962,039) | (2,453,807) | (4,526,090) |
| Finance income | | 793 | 23,762 | 54,656 |
| LOSS BEFORE TAX | | (1,961,246) | (2,430,045) | (4,471,434) |
| Income tax expense | | - | - | - |
| LOSS FOR THE PERIOD | | (1,961,246) | (2,430,045) | (4,471,434) |
| Basic and diluted loss per ordinary share (cents) | 3 | (1.91) | (2.42) | (4.41) |

Group statement of total recognised income and expenses

For the 6 months ended 30 June 2009

| | | Unaudited 6 months to 30-Jun-09 | Unaudited 6 months to 30-Jun-08 | Audited Year to 31-Dec-08 |
|--|--|---------------------------------------|---------------------------------------|---------------------------------|
| | | US\$ | US\$ | US\$ |
| Loss for the period | | (1,961,246) | (2,430,045) | (4,471,434) |
| TOTAL RECOGNISED INCOME AND EXPENSE | | (1,961,246) | (2,430,045) | (4,471,434) |

Group Balance Sheet

As at 30 June 2009

| | | Unaudited As at 30-Jun-09 | Unaudited As at 30-Jun-08 | Audited As at 31-Dec-08 |
|---------------------------|------|---------------------------------|---------------------------------|-------------------------------|
| | Note | US\$ | US\$ | US\$ |
| ASSETS | | | | |
| Non current assets | | | | |
| Intangible assets | 5 | 51,288,719 | 49,872,932 | 50,080,034 |

| | | | | |
|---------------------------------------|---|---------------------|--------------------|---------------------|
| Property, plant and equipment | 6 | 44,269,091 | 9,449,204 | 28,927,611 |
| TOTAL NON CURRENT ASSETS | | 95,557,810 | 59,322,136 | 79,007,645 |
| Current assets | | | | |
| Trade and other receivables | | 1,845,848 | 861,715 | 2,161,494 |
| Stock | | 989,324 | - | - |
| Cash and cash equivalents | | 210,676 | 3,693,207 | 738,722 |
| TOTAL CURRENT ASSETS | | 3,045,848 | 4,554,922 | 2,900,216 |
| TOTAL ASSETS | | 98,603,658 | 63,877,058 | 81,907,861 |
| LIABILITIES | | | | |
| Current liabilities | | | | |
| Trade and other payables | | (10,911,237) | (4,264,807) | (11,370,718) |
| Rehabilitation provision | | (448,888) | - | - |
| Long-term liabilities | | | | |
| Interest-bearing loans and borrowings | 7 | (35,921,180) | (4,596,868) | (17,396,890) |
| TOTAL LIABILITIES | | (47,281,305) | (8,861,675) | (28,767,608) |
| NET ASSETS | | 51,322,353 | 55,015,383 | 53,140,253 |
| EQUITY | | | | |
| Called up share capital | | 1,859,251 | 1,821,221 | 1,851,516 |
| Share premium account | | 31,007,377 | 30,700,460 | 30,911,013 |
| Share-based payment reserve | | 643,914 | 2,063,355 | 1,321,840 |
| Merger reserve | | 46,206,390 | 46,206,390 | 46,206,390 |
| Profit and loss account | | (28,394,579) | (25,776,043) | (27,150,506) |
| TOTAL EQUITY | | 51,322,353 | 55,015,383 | 53,140,253 |

Group cash flow statement

For the 6 months ended 30 June 2009

| | Note | Unaudited 6 months to 30-Jun-09 US\$ | Unaudited 6 months to 30-Jun-08 US\$ | Audited Year to 31-Dec-08 US\$ |
|--|----------|---|---|---|
| NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES | 8 | 3,233,561 | (1,734,804) | (2,159,826) |
| Investing activities | | | | |
| Interest received | | 793 | 23,762 | 54,656 |
| Purchases of property, plant and equipment | | (19,502,447) | (5,858,289) | (20,672,394) |

| | | | |
|--|---------------------|--------------------|---------------------|
| Expenditure on intangible assets | (783,549) | (145,232) | (212,900) |
| NET CASH USED IN INVESTING ACTIVITIES | (20,285,203) | (5,979,759) | (20,830,638) |
| Financing activities | | | |
| Proceeds from borrowings | 19,836,827 | 4,596,868 | 16,084,353 |
| Proceeds/(repayments) of long-term letters of credit | (1,312,537) | - | 1,312,537 |
| Interest paid | (2,000,694) | - | (478,606) |
| NET CASH FROM FINANCING ACTIVITIES | 16,523,596 | 4,596,868 | 16,918,284 |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | (528,046) | (3,117,695) | (6,072,180) |
| CASH AND CASH EQUIVALENTS AT START OF PERIOD | 738,722 | 6,810,902 | 6,810,902 |
| CASH AND CASH EQUIVALENTS AT END OF PERIOD | 210,676 | 3,693,207 | 738,722 |

Notes to the financial statements

1. Going Concern

The Directors' assumption over the projected gold and silver prices, discount rates, mine operating costs and levels of production from Gedabek mine are crucial to the Group meeting its forecast cash flows for period to 30 September 2010. Should the operating costs increase significantly, production be delayed, the forecasted ramp-up of production not be achieved or the revenues fall short of expectations, there may be insufficient cash flows for the Group to sustain its day to day operations without seeking and relying on further financing, which may or may not be available.

For these reasons a material uncertainty exists which may cast significant doubt on the entity's ability to continue as a going concern and that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

After making enquiries, the Directors have formed a judgement, which assumes at the time of approving the financial statements, that there is a reasonable expectation that the Group can access adequate resources to continue in operation and remain in existence for the foreseeable future. These resources include the anticipated revenues from the projected gold, silver and copper production at Gedabek, existing cash balances, existing debt facilities and the Group's ability to raise further funds through either debt or equity, should market prices for gold fall, production levels fall or be delayed or if operating costs increase. The current forecasts demonstrate that the existing cash resources and available debt provide sufficient funds to continue to increase the level of production. The Board is aware of the difficulties involved in accurately forecasting mine operating costs, the price of gold and levels of production, as well as the risk of delays in production. If there are either cost overruns, reduced revenues or delays which result in a funding shortfall then the Board will have to take steps to ensure that there is adequate funding for the 12 month period subsequent to the date of the approval of these financial statements. The major shareholders on the Board have confirmed that they would be willing to provide additional funding in such an event. The Directors also consider that, in line with current and past practice, interest payments due to the International Bank of Azerbaijan can be deferred.

For these reasons the Directors continue to adopt the going concern basis of preparing the financial statements.

2. Basis of preparation

The financial information has been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board. The information for the year ended 31 December 2008 does not constitute statutory accounts as defined in section 240 of the Companies Act 1985. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The auditor's report on those accounts was not qualified, the report included an emphasis of matter paragraph in respect of going concern, and did not contain statements under section 237(2) or (3) of the Companies Act 1985.

The financial information has not been audited and has been prepared on the historical cost basis. The principal accounting policies adopted are consistent with those adopted in the annual accounts to 31 December 2008.

The preparation of financial information in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amounts, events or actions, actual results ultimately may differ from those estimates.

The interim report was approved by the Board of Directors on 24 September 2009.

3. Earnings per ordinary share

| | Unaudited 6 months to 30-Jun-09 | Unaudited 6 months to 30-Jun-08 | Audited Year to 31-Dec-08 |
|--|--|---------------------------------------|---------------------------------|
| | US\$ | US\$ | US\$ |
| Earnings per ordinary share | | | |
| Loss | (1,961,246) | (2,430,045) | (4,471,434) |
| Basic and diluted earnings per share | (1.91) | (2.42) | (4.41) |
| | Number | Number | Number |
| Weighted average number of shares: For basic and diluted earnings per share | 102,820,723 | 100,382,269 | 101,280,008 |

Basic and diluted Earnings per Share are the same because the only outstanding share options are anti-dilutive as the Group has made a loss.

4. Total Comprehensive income

There are no additional items of income and expense which are not included within the profit and loss for the Period.

5. Intangible Assets

| | Exploration and Evaluation | Mining Rights | Total |
|-----------------------------|----------------------------------|-------------------|-------------------|
| | US\$ | US\$ | US\$ |
| As at 31 December 2008 | 8,154,772 | 41,925,262 | 50,080,034 |
| Additions during the period | 1,208,685 | - | 1,208,685 |
| As at 30 June 2009 | 9,363,457 | 41,925,262 | 51,288,719 |

The additions during the period relate to Ordubad, Maarif and Gosha.

6. Property, plant and equipment

| | Temporary Buildings US\$ | Plant and equipment US\$ | Motor Vehicles US\$ | Office Equipment US\$ | Leasehold Improvements US\$ | Assets under construction US\$ | Total US\$ |
|--|--------------------------------|--------------------------------|---------------------------|-----------------------------|-----------------------------------|--------------------------------------|--------------------|
| Cost | | | | | | | |
| As at 1 January 2009 | 302,530 | 10,613,346 | 388,343 | 1,014,685 | 438,357 | 17,199,597 | 29,956,858 |
| Additions | 227 | 789,756 | 48,046 | 125,980 | - | 13,667,237 | 14,631,246 |
| Capitalisation of interest | - | - | - | - | - | 1,814,257 | 1,814,257 |
| Rehabilitation of Gedabek site | - | 448,888 | - | - | - | - | 448,888 |
| Transfer to assets | | 31,181,091 | | | | (31,181,091) | - |
| As at 30 June 2009 | 302,757 | 43,033,081 | 436,389 | 1,140,665 | 438,357 | 1,500,000 | 46,851,249 |
| Accumulated depreciation and impairment | | | | | | | |
| As at 1 January 2009 | (114,765) | (307,584) | (116,266) | (294,292) | (196,340) | - | (1,029,247) |
| Charge for the period | (23,485) | (1,361,690) | (37,013) | (100,471) | (30,252) | - | (1,552,911) |
| As at 30 June 2009 | (138,250) | (1,669,274) | (153,279) | (394,763) | (226,592) | - | (2,582,158) |
| Carrying amount | | | | | | | |
| At 31 December 2008 | 187,765 | 10,305,762 | 272,077 | 720,393 | 242,017 | 17,199,597 | 28,927,611 |
| At 30 June 2009 | 164,507 | 41,363,807 | 283,110 | 745,902 | 211,765 | 1,500,000 | 44,269,091 |

7. Interest-bearing loans and borrowings

During 2008 the Group obtained a credit facility with the International Bank of Azerbaijan of \$5 million repayable after three years, expiring on 14 January 2011, with an interest rate of 15%. Repayments in equal monthly instalments are due from February 2010.

In 2008, the International Bank of Azerbaijan has also agreed a credit facility of \$20 million at an all inclusive interest rate of 15%. The facility loan agreement is four years from 15 February 2008 with a two year grace period to repay the monies loaned. In 2010 \$8 million is due to be repaid in equal quarterly instalments, and in 2011 \$5 million and \$7 million are repayable in March and June respectively. There is no penalty for early repayment.

On the 20 May 2009 the Group has obtained further funding from the International Bank of Azerbaijan for the amount of \$9.4 million at an interest rate of 15%. Repayment is scheduled in nine quarterly instalments (first eight tranches of US\$1,044,000 and a ninth tranche of US\$1,048,000) with the first instalment due in March 2011 and then every three months to March 2013.

On 19 June 2009, the Group signed a further loan agreement with the International Bank of Azerbaijan for US\$6.5 million with an interest rate of 15%. Repayment is scheduled in 13 instalments of US\$500,000 with the first instalment due in June 2010 and then every three months until June 2013. There is no penalty for early repayment. The Agreement is in addition to three other loan agreements with the IBA totalling US\$34.4 million.

8. Reconciliation of operating loss to the cash outflow from operations

| | Unaudited 6 months to 30-Jun-09 | Unaudited 6 months to 30-Jun-08 | Audited Year to 31-Dec-08 |
|--|---------------------------------------|---------------------------------------|---------------------------------|
| | US\$ | US\$ | US\$ |
| Operating loss | (1,962,039) | (2,453,807) | (4,526,090) |
| Adjustments for: | | | |
| Depreciation of property, plant and equipment | 1,552,910 | 151,133 | 636,477 |
| Share-based payment expenses | 39,248 | 210,603 | 136,014 |
| Shares issued in exchange for salaries | 104,098 | 342,152 | 583,000 |
| Operating cash flows before movements in working capital | (265,783) | (1,749,919) | (3,170,598) |
| Decrease in trade and other receivables | (673,677) | (417,201) | (1,716,980) |
| Increase in trade and other payables | 4,173,021 | 432,316 | 2,727,752 |
| Cash generated by/(used in) operations | 3,233,561 | (1,734,804) | (2,159,826) |
| Income taxes paid | - | - | - |
| Net cash used in operating activities | 3,233,561 | (1,734,804) | (2,159,826) |

9. Subsequent Events

On 7 August 2009, the Group signed a US\$1 million unsecured loan agreement with its CEO, Mr.Reza Vaziri, to provide additional working capital for the Company. Under the terms of the Agreement, an interest rate of 8% per annum will be applied. 20% of initial net gold sales will be used to service repayment of this loan with the latest date for the outstanding balance to be paid in full being 7 February 2010.