

12 September 2016

**Anglo Asian Mining plc**  
**Interim results for the six month period to 30 June 2016**  
**Return to profitability at Gedabek gold, copper and silver mine, Azerbaijan**

Anglo Asian Mining plc ("Anglo Asian" or the "Company"), the AIM traded gold, copper and silver producer focused in Azerbaijan, is pleased to announce its interim results for the six month period ended 30 June 2016 ("H1 2016") with the Group returning to profitability during the period. Note that all references to "\$" are to United States dollars.

A presentation on the Company and its results will be available later today, Monday 12 September on the Anglo Asian web-site [www.angloasianmining.com](http://www.angloasianmining.com)

**Production and sales overview**

- Strong H1 2016 production figures with increasing copper and silver production:
  - Record copper production of 969 tonnes (H1 2015: 418 tonnes)
  - Record silver production of 90,782 ounces (H1 2015: 6,478 ounces)
  - Gold production slightly reduced at 33,837 ounces (H1 2015: 35,938 ounces)
- Increased copper concentrate sales which have partially offset reduced gold bullion sales:
  - Copper concentrate sales of 2,912 dry metric tonnes ("dmt") which generated revenue of \$5.2 million (H1 2015: 606 dmt which generated revenue of \$1.7 million)
  - Gold bullion sales of 27,719 ounces at an average of \$1,230 per ounce (H1 2015: 33,294 ounces at an average of \$1,204 per ounce)
- 18,000 ounces of gold bullion sales in H2 2016 hedged at no cost with a minimum and maximum sales price per ounce of \$1,200 and \$1,426 respectively
- Target gold production for the year to 31 December 2016 ("FY 2016") lowered to between 69,000 and 71,000 ounces of gold. Target copper production remains at between 1,700 and 2,100 tonnes of copper

**Financial overview**

- Profit before taxation of \$3.5 million (H1 2015: loss of \$4.1 million)
- Revenue decreased to \$39.3 million (H1 2015: \$41.8 million) due to lower gold bullion sales partially offset by higher sales of copper concentrate

- 26 per cent. reduction in average cash operating costs to \$546 (H1 2015: \$736) per ounce of gold bullion due to both lower mining and processing costs and higher by-product sales
- Increased operating cash flow before movements in working capital of \$16.9 million (H1 2015: \$10.7 million)
- Reduced capital expenditure of \$6.6 million (H1 2015: \$9.1 million) - expenditure mainly on advanced stripping, the new SAG mill and underground equipment
- Decreased net debt of \$40.7 million as at 30 June 2016 (31 December 2015: \$49.0 million)
- Cash of \$3.3 million as at 30 June 2016 (31 December 2015: \$0.2 million)

### **Operational overview**

- First full six months of production from flotation plant
- Second SAG mill operational end of August 2016
- New underground equipment fully deployed in H1 2016
- Contracts executed for water treatment plant and evaporation equipment
- Work commenced on construction of electrical sub-station and associated overhead power lines to connect Gedabek to the national power grid

### **Chairman's statement**

I am delighted to report a return to profitability at Anglo Asian with the Company earning a profit before taxation in the six months to 30 June 2016 of \$3.5 million. This return to profitability, together with the reduction in capital expenditure and net debt, demonstrates the progress of our strategy at Gedabek. The Company has now created a foundation for increased profitability and cash generation.

The increase in metal prices since the beginning of 2016 and the recent devaluations of the Azerbaijan Manat have materially assisted in our return to profitability. However, the Company is always mindful of the volatile environment in which it operates and therefore remains highly focused on optimising the efficiency of its operations and reducing costs wherever possible. For example, we are currently undertaking initiatives to lower our cost of electricity by connecting Gedabek to the electricity grid and to improve the sustainability of our operations by purifying and disposing of waste water as described further below.

Anglo Asian has recently strengthened its geological department which is now starting to have a much greater focus on increasing our resources and reserves, primarily at our Gedabek site. The work carried out so far in 2016 is also described further below.

During the period, we also took the opportunity to hedge some future gold bullion sales in June 2016 due to the strength in the gold price at that time resulting from the uncertainties of the United Kingdom's EU referendum decision and global economic conditions. This protects the Company against any significant downside in the price of gold whilst still giving us exposure to any further increases in this volatile gold market. This is the first time Anglo Asian has hedged gold sales and this transaction therefore marks another stage in the development of your company.

Although we are obviously delighted to have returned Anglo Asian to profitability, the reduction in our target gold production for 2016 is a disappointment. Unfortunately, the late commissioning of the second semi-autogenous grinding ("SAG") mill and the Gadir development work required in August resulted in a shortfall in gold doré production in July and August of 2,779 ounces compared to budget. These issues have now been overcome but as a result we have had to lower our target gold production for FY 2016 from between 73,000 and 77,000 ounces to between 69,000 and 71,000 ounces.

#### ***Gedabek – mining, production and sales***

Gedabek is a polymetallic deposit from which Anglo Asian produces gold, copper and silver from its Gedabek open pit mining operation and co-located underground Gadir mine. Gosha is our second gold and silver mine and ore mined at Gosha is transported to Gedabek for processing, due to its close proximity. Four different processing methods are used to produce gold, silver and copper. Agitation leaching and heap leaching (both of crushed and whole ore) are used to produce gold doré. Sulphidisation, Acidification, Recycling and Thickening ("SART") and flotation are used to produce copper concentrates, which also contain some gold and silver.

Since the beginning of 2016, we have continued to focus on optimising production at Gedabek. The flotation plant was in operation throughout the period and we resolved the final commissioning issues and succeeded in reducing the zinc content of the concentrate. An important step in optimising the production from the agitation leaching plant was the commissioning of a second SAG mill in August. Although the SAG mill was commissioned later than anticipated, it will ensure sustainable production now it is in operation.

During H1 2016, the Company mined 835,381 tonnes of ore from its Gedabek open pit (H1 2015: 864,672 tonnes) and 55,488 tonnes of ore with a revised average content of 5.84 grammes per tonne from our Gadir underground mine.

As previously reported, low grade ore (less than 1.5 grammes per tonne of gold) is being treated by heap leaching, whilst higher grade ore (more than 1.5 grammes per tonne of gold) is

being processed through the agitation leaching plant.

During H1 2016, Anglo Asian stacked 201,652 tonnes of dry crushed ore on to heap leach pads with an average gold content of 1.40 grammes per tonne (H1 2015: 220,096 tonnes with an average gold content of 1.48 grammes per tonne). The Company also heap leached uncrushed Run of Mine (“ROM”) ore. During H1 2016, Anglo Asian stacked 377,940 tonnes of ROM ore on to heap leach pads with an average gold content of 0.80 grammes per tonne (H1 2015: 378,976 tonnes with an average gold content of 0.90 grammes per tonne).

During H1 2016, the Company processed 283,579 tonnes of ore with an average gold content of 3.29 grammes per tonne through the agitation leaching plant (H1 2015: 278,269 tonnes with an average gold content of 3.50 grammes per tonne).

There was a 72 per cent. gold recovery in agitation leaching for H1 2016 (H1 2015: 75 per cent.). This slight decrease in gold recovery was a result of the lower grade and greater refractoriness of the ore processed. Gold doré is produced from both heap and agitated leach intermediate solutions, which are combined for final processing and also re-circulated around the plant, heap leach pads and tailings dam. Heap leaching is a long term process and recoveries are therefore only estimates calculated from available metallurgical statistics.

During H1 2016, the Company produced gold doré containing 31,309 ounces of gold and 4,941 ounces of silver at Gedabek (H1 2015: 35,924 ounces of gold and 1,497 ounces of silver). The agitation leaching plant produced 21,611 and 3,381 ounces of gold and silver, respectively, and the heap leach operations produced 9,698 and 1,560 ounces of gold and silver, respectively. The decreased gold doré production in H1 2016 compared to H1 2015 was due to lower production from both the agitation leaching plant and from heap leach mainly as a result of lower ore grades.

During H1 2016, 248,950 dmt of agitation leaching plant tailings were processed by the flotation plant. The gross metal contained within this feed-stock was 8,869 ounces of gold, 164,029 ounces of silver and 1,176 tonnes of copper. Copper concentrate of 3,443 dmt was produced containing 593 tonnes of copper, 2,512 ounces of gold and 69,073 ounces of silver. SART processing produced 736 dmt of copper concentrate containing 376 tonnes of copper, 16 ounces of gold and 16,768 ounces of silver.

The following table summarises gold doré production and sales at Gedabek for FY 2015 and H1 2016:

	<b>Gold produced* (ounces)</b>	<b>Silver produced* (ounces)</b>	<b>Gold sales** (ounces)</b>	<b>Gold sales price (\$/ounce)</b>
<b>Quarter ended</b>				

31 March 2015	17,185	597	17,206	1,214
30 June 2015	18,739	900	16,088	1,193
<b>H1 2015</b>	<b>35,924</b>	<b>1,497</b>	<b>33,294</b>	<b>1,204</b>
30 Sept 2015	18,158	907	14,871	1,123
31 Dec 2015	17,588	1,858	15,759	1,108
<b>H2 2015</b>	<b>35,746</b>	<b>2,765</b>	<b>30,630</b>	<b>1,115</b>
<b>FY 2015</b>	<b>71,670</b>	<b>4,262</b>	<b>63,924</b>	<b>1,161</b>
31 March 2016	13,383	1,958	12,058	1,184
30 June 2016	17,926	2,983	15,661	1,265
<b>H1 2016</b>	<b>31,309</b>	<b>4,941</b>	<b>27,719</b>	<b>1,230</b>

\* including Government of Azerbaijan's share.

\*\* excluding Government of Azerbaijan's share.

The following table summarises copper concentrate production from both its SART and flotation plants for H1 2016:

	<b>Concentrate production* (dmt)</b>	<b>Copper content* (tonnes)</b>	<b>Gold content* (ounces)</b>	<b>Silver content* (ounces)</b>
<b>Quarter ended 31 March 2016</b>				

SART processing	363	181	12	7,789
Flotation	1,458	251	777	24,595
<b>Total</b>	<b>1,821</b>	<b>432</b>	<b>789</b>	<b>32,384</b>
<b>Quarter ended 30 June 2016</b>				
SART processing	373	195	4	8,979
Flotation	1,988	342	1,735	44,478
<b>Total</b>	<b>2,361</b>	<b>537</b>	<b>1,739</b>	<b>53,457</b>
<b>6 months ended 30 June 2016</b>				
SART processing	736	376	16	16,768
Flotation	3,446	593	2,512	69,073
<b>Total</b>	<b>4,182</b>	<b>969</b>	<b>2,528</b>	<b>85,841</b>

\* including Government of Azerbaijan's share.

The following table summarises total copper concentrate production and sales at Gedabek for FY 2015 and H1 2016. Note that sales of concentrates are initially recorded at provisional amounts until agreement of final assay:

<b>Concentrate production*</b>	<b>Copper content*</b>	<b>Gold content*</b>	<b>Silver content*</b>	<b>Concentrate sales**</b>	<b>Concentrate sales**</b>
<b>(dmt)</b>	<b>(tonnes)</b>	<b>(ounces)</b>	<b>(ounces)</b>	<b>(dmt)</b>	<b>(\$000)</b>

<b>Quarter ended</b>						
31 March 2015	298	182	8	1,354	234	660
30 June 2015	391	236	6	3,627	372	1,076
<b>H1 2015</b>	<b>689</b>	<b>418</b>	<b>14</b>	<b>4,981</b>	<b>606</b>	<b>1,736</b>
30 Sept 2015	406	216	7	3,532	279	661
31 Dec 2015	955	335	341	15,851	817	1,285
<b>H2 2015</b>	<b>1,361</b>	<b>551</b>	<b>348</b>	<b>19,383</b>	<b>1,096</b>	<b>1,946</b>
<b>FY 2015</b>	<b>2,050</b>	<b>969</b>	<b>362</b>	<b>24,364</b>	<b>1,702</b>	<b>3,682</b>
31 March 2016	1,821	432	789	32,384	1,330	2,137
30 June 2016	2,361	537	1,739	53,457	1,582	3,019
<b>H1 2016</b>	<b>4,182</b>	<b>969</b>	<b>2,528</b>	<b>85,841</b>	<b>2,912</b>	<b>5,159</b>

\* including Government of Azerbaijan's share.

\*\* excluding Government of Azerbaijan's share.

### ***Gedabek – operational update***

The agitation leaching plant's second SAG mill at Gedabek became operational at the end of August, approximately seven weeks later than scheduled. This was due to a delay in obtaining the liners for the mill from Turkey caused by the country's recent political unrest. Now operational, it will ensure sustainable production from the agitation leaching plant and can be redeployed in an expanded flotation plant in the future.

In line with our strategy to maintain Gedabek as a low cost operation, we have started on several initiatives to improve sustainability and further lower costs. Contracts totaling \$1.7 million have been signed for equipment to purify, and dispose of, waste water. A membrane filtration plant will remove water from the tailings dam and purify it, so that it can be discharged into the environment. A concentrated solution will be produced as a by-product from which metal and cyanide will be recovered. Further water will also be disposed of by ancillary evaporation equipment which is also being installed. These measures will improve the water balance of the site and save costs as they will reduce the tailings dam capacity requirements. Additionally, they will also enable the partial recovery of metal currently present in the contents of the tailings dam. The system is expected to be installed and in operation by Q4 2016 and we look forward to seeing the benefits from this initiative.

The Company has also entered into a \$2 million contract for the construction and installation of a 35/6 kV 2x16 MVA electrical sub-station and associated overhead power lines to connect the Gedabek site to the national electricity grid. This will result in cleaner and cheaper electrical power at Gedabek, which up to now has been supplied by diesel generators. Work has

commenced and the contractor has started construction of the electrical panel building and some of the pylons have been installed. It is expected that the work will be completed and power will be available from the electricity grid by the end of 2016. Once in operation, purchasing electricity from the grid compared to generating electricity using diesel generators will result in cost savings of approximately \$1.8 to \$2.0 million per annum.

I am also pleased to report that the new underground equipment, which was purchased from Atlas Copco, comprising an underground drill machine, loader and truck is now fully deployed in the Gadir underground mine where ore was first mined in 2015. Although the output from the Gadir mine has been less than budgeted due to the additional development work which is now underway and which has also affected our FY 2016 target gold production, this equipment is improving the productivity of the Gadir mine.

### ***Exploration and development***

In 2016 to date, various activities were carried out within the greater Gedabek area with the aim of delineating further resources and reserves to increase the life of mine.

#### ***a. Surface brownfield exploration***

This focused on areas adjacent to the current operating mine and along strike where mineralisation is exposed at the surface. Geological mapping was carried out over 1.4 square kilometres from which 401 outcrop samples were taken and 214 metres of follow-up trenching was carried out. In addition, eight drill holes with a total of 2,172 metres of diamond drilling were completed. Additional field mapping is planned along strike to define future exploration targets in H2 2016.

Wider exploration activity continued over the 300 square kilometre Gedabek contract area with positive results from surface mapping and sampling, which has targeted other areas for follow-up work.

#### ***b. Gadir underground mine***

Exploration works continued at the Gadir underground mine. Efforts focused on underground mapping that comprised 1,494 linear metres backed up with 3,764 linear metres of channel sampling. With underground development having reached significant ore zones, an exploration drift was constructed to allow drilling to take place. Mineral resource delineation drilling continued with the aim of assessing the down dip and lateral extensions of the known ore bodies. A significant new copper rich zone was discovered, which will be subject to evaluation drilling during H2 2016. In H1 2016, 4 core drill holes (HQ size core) with a total of 441 metres had been completed. These drill holes were designed to confirm and extend mineralisation at Gadir. This drilling yielded positive results with the more significant intercepts being 3.5 metres at 5.1 grammes



per tonne of gold; 8 metres at 2.6 grammes per tonne of gold; 4 metres at 4.7 grammes per tonne of gold and 3.4 metres at 4.6 grammes per tonne of gold, with narrower zones up to 14.5 grammes per tonne of gold over 1 metre. An additional 60 drill holes (BQ size core) with a total of 1,435 metres were drilled to define ore zone geometry.

**c. *Bittibulag mineral occurrence***

The Bittibulag mineral occurrence is approximately 6 kilometres north-west from the Gedabek open pit. A surface mapping exercise was completed over the Bittibulag area covering an area of 0.8 square kilometres that included taking 320 outcrop samples for analysis. This was followed up by a soil geochemical sampling programme over an area of 2.8 square kilometres from which 648 samples were taken and which are currently being prepared for assaying. A total of 56 metres of trenches were excavated and mapped from which 60 samples were taken. On the basis of the positive results it is planned to carry out historical adit rehabilitation, diamond drilling and metallurgical test work drilling in H2 2016.

Exploration work also continued at the Ordubad contract licence area in the Nakhichevan region of Azerbaijan. During H1 2016, 42 linear metres of trenching was completed. Access was gained by 2,000 metres of road cleaning to reach exploration adits at the Pyazbashi deposit which were developed during the Soviet era. 360 metres of underground rehabilitation was completed, plus portal support infrastructure that allowed 583 metres of channel sampling from which 740 samples were taken that confirmed the presence of gold mineralisation in the quartz-kaolin vein system.

***Financial review***

Revenue of \$39.3 million was generated from the sales of Anglo Asian's share of gold and silver bullion, refined from doré bars which it produced, and copper concentrate in the six months ended 30 June 2016. Sales of gold and silver bullion were \$34.1 million which comprised 27,719 ounces of gold and 4,496 ounces of silver at an average price of \$1,230 and \$16 per ounce respectively. Sales of copper concentrate were \$5.2 million.

The Company entered into a series of net zero cost options with a lower (PUT option) sales price of \$1,200 per ounce and an upper (CALL option) sales price of \$1,426 per ounce on 27 June 2016. The options mature in lots of 1,500 ounces of gold with the first lot maturing on 12 July 2016. The rest of the lots then mature every two weeks from this date with the final lot maturing on 13 December 2016. These options were initially recorded at a net cost of \$nil and at 30 June 2016 at their net fair value of a liability of \$282,000. The difference between the value at which initially recorded and at the balance sheet date of \$282,000 was expensed to other operating expense in the income statement. All options will mature within the 2016

financial year and to date lots totaling 7,500 ounces have all matured within the put and call range.

Total cost of sales for the six months ended 30 June 2016 decreased by \$9.9 million to \$30.0 million compared to \$39.9 million in 2015. Cash cost of sales decreased by \$5.5 million to \$22.6 million compared to \$28.1 million in 2015. Major contributors to these cost reductions were reagents lower by \$4.3 million at \$7.3 million; fuel lower by \$0.9 million at \$2.9 million and spare parts lower by \$0.7 million at \$0.9 million. These reductions were as a result of continued plant optimisation, good cost control and the weakening of the Azerbaijan Manat against the US dollar. Depreciation decreased by \$1.0 million from \$10.9 million in 2015 to \$9.9 million in 2016 due to lower gold production.

Administrative expenses for the six months ended 30 June 2016 decreased to \$2.5 million compared to \$2.8 million in 2015. The decrease in the administrative expenses was mainly due to the depreciation of the Azerbaijan Manat. Administrative expenses comprise the cost of the Company's office in Baku, directors and other administrative staff salaries, professional fees and the cost of maintaining the Company's public quotation on the AIM market.

The finance costs for the six months ended 30 June 2016 of \$2.5 million comprise interest on loans and letters of credit of \$2.3 million and accretion expense on the rehabilitation provision of \$0.2 million. There were no borrowing costs capitalised in the six months ended 30 June 2016.

The income tax charge for the six months ended 30 June 2016 of \$3.1 million was a deferred taxation charge in respect of the Azerbaijan operations. The Company's Azerbaijan operations are expected to produce taxable profits for the full year ending 31 December 2016.

The Group produced gold bullion at an average cash operating cost of production in the six months ended 30 June 2016 of \$546 per ounce compared to \$736 per ounce in the six months ended 2015 and \$724 for the full year 2015. Average cash operating cost of production for H1 2016 compared to H1 2015 was lower due to total mining, processing and selling costs lower by \$5.5 million and copper and silver by-product credits higher by \$3.9 million. Average cash operating cost of production is calculated by reference to mining and processing costs (before depreciation) plus precious metal selling costs less revenue (including the Government of Azerbaijan's share) from the sale of copper concentrate and silver bullion.

The Company had cash and cash equivalents at 30 June 2016 of \$3.3 million and total debt at amortised cost of \$44.0 million, giving net debt of \$40.7 million. The Amsterdam Trade Bank loan has a debt service cover ratio ("DSCR") covenant of 1.25, and for the six months ended 30 June 2016, the DSCR was 1.44. The Company had no unutilised credit facilities at 30 June 2016.

Capital expenditure of \$6.6 million represents capitalised advanced stripping costs of \$2.7 million; expenditure on underground equipment of \$1.3 million; the new SAG mill of \$1.0 million and miscellaneous equipment and tools of \$1.6 million.

Capitalised exploration and evaluation expenditure of \$0.1 million was incurred in the six months ended 30 June 2016. This was mainly exploration in the Ordubad contract area.

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 equaling approximately \$0.95 during the six months ended 30 June 2016. In addition, the Company's revenues and the majority of its interest bearing debt are denominated in US dollars. The Company believes it does not have any significant exposure to foreign exchange fluctuations although the situation is kept under review.

### ***Corporate and social responsibility***

Our health, safety, social and environmental performance forms a central part of our philosophy of continuous commitment to best practice. Given the hazardous nature of mining and the climatic conditions at Gedabek, especially in winter, it is inevitable that minor accidents and mishaps occur, in spite of our best efforts to avoid them. In the H1 2016 period under review, we recorded four lost time injury (LTI) incidents, none of which resulted in serious injury to the casualties.

Protection of the environment in and around our properties is of vital importance to us. In this regard, the seven kilometre pipeline that carries the tailings slurry from our agitation leaching plant to the tailings dam where the tailings are stored is of particular concern, because the internal pressures make the pipeline prone to leakages. In order to minimise risks to the environment, we have enclosed the pipeline in a lined ditch along its entire length and the pipeline is regularly patrolled on a twenty four seven basis, so that any leaks can be quickly spotted and dealt with. In spite of these precautions, we had two leakage incidents in March, during a particularly cold spell, when tailings escaped from the enclosing ditch and contaminated the surrounding area and local watercourses. However, rapid remediation measures were undertaken and in both cases environmental equilibrium was restored within a short period.

Our efforts to improve our health safety and environmental performance will be sustained with the aim of achieving and maintaining the highest international standards.

### ***Outlook***

I am delighted that your Company has returned to profitability and look forward to the rest of

2016 and beyond with optimism. Although the third quarter of 2016 has seen a slower start than budgeted which has resulted in a small reduction in our FY 2016 target gold production to between 69,000 to 71,000 ounces, I believe that during the course of H1 2016, we have demonstrated that our strategy can deliver success, and that we have built a strong platform for increasing profitability and cash generation.

The outlook for metal prices still remains uncertain. However, the increase in prices during the first eight months of 2016 is obviously beneficial to us and we hope marks the start of a sustained recovery in prices.

### ***Appreciation***

I would like to take this opportunity to thank our Anglo Asian senior management team and employees, partners, the Government of Azerbaijan, advisers and fellow directors for their support as we continue to develop Anglo Asian. I would also like to especially thank our shareholders for their invaluable support as we look forward to a successful 2016 and beyond.

**Khosrow Zamani**

***Non-executive Chairman***

***9 September 2016***

**Anglo Asian Mining plc**  
**Condensed group income statement**  
Six months ended 30 June 2016

6 months to

6 months to

Notes	30 June 2016 (unaudited) \$000	30 June 2015 (unaudited) \$000
Revenue	39,323	41,823
Cost of sales	(29,960)	(39,940)
<b>Gross profit</b>	<b>9,363</b>	<b>1,883</b>
Other income	78	13
Administrative expenses	(2,524)	(2,786)
Other operating expense	(883)	(254)
<b>Operating profit / (loss)</b>	<b>6,034</b>	<b>(1,144)</b>
Finance costs	(2,546)	(2,980)
<b>Profit / (loss) before tax</b>	<b>3,488</b>	<b>(4,124)</b>
Income tax	3	746
<b>Profit / (loss) after tax</b>	<b>424</b>	<b>(3,378)</b>
<b>Profit / (loss) per share for the period attributable to the equity holders of the parent</b>	<b>424</b>	<b>(3,378)</b>
Basic (US cents per share)	4	0.38
Diluted (US cents per share)	4	0.38

**Anglo Asian Mining plc**  
**Condensed group statement of comprehensive income**  
Six months ended 30 June 2016

	6 months to 30 June 2016 (unaudited) \$000	6 months to 30 June 2015 (unaudited) \$000
Profit / (loss) for the period	424	(3,378)
<b>Total comprehensive profit / (loss) for the period</b>	<b>424</b>	<b>(3,378)</b>
Attributable to the equity holders of the parent company	424	(3,378)

**Anglo Asian Mining plc**  
**Condensed group statement of financial position**  
30 June 2016

30 June 2016                          30 June 2015  
    (unaudited)              31 December 2015

	Notes	(unaudited) \$000	\$000	(audited) \$000
<b>Non-current assets</b>				
Intangible assets	5	17,553	19,220	18,373
Property, plant and equipment	6	104,141	113,464	108,428
Inventory	7	2,595	2,071	2,543
Other receivables	8	1,113	818	120
		125,402	135,573	129,464
<b>Current assets</b>				
Inventory	7	27,087	28,693	26,197
Trade and other receivables	8	10,209	12,523	16,131
Cash and cash equivalents		3,262	1,784	249
		40,558	43,000	42,577
<b>Total assets</b>		165,960	178,573	172,041
<b>Current liabilities</b>				
Trade and other payables	9	(15,595)	(20,055)	(20,112)
Interest-bearing loans and borrowings	10	(26,733)	(20,325)	(26,708)
		(42,328)	(40,380)	(46,820)
<b>Net current (liabilities) / assets</b>		(1,770)	2,620	(4,243)
<b>Non-current liabilities</b>				
Provision for rehabilitation		(8,800)	(9,223)	(8,554)
Interest-bearing loans and borrowings	10	(17,257)	(30,186)	(22,588)
Deferred tax liability		(18,498)	(16,218)	(15,435)
		(44,555)	(55,627)	(46,577)
<b>Total liabilities</b>		(86,883)	(96,007)	(93,397)
<b>Net assets</b>		79,077	82,566	78,644
<b>Equity</b>				
Share capital	11	1,993	1,978	1,993
Share premium account		32,325	32,246	32,325
Share-based payment reserve		292	698	283
Merger reserve		46,206	46,206	46,206
Retained (loss) / earnings		(1,739)	1,438	(2,163)
<b>Total equity</b>		79,077	82,566	78,644

## Anglo Asian Mining plc

### Condensed group cash flow statement

Six months ended 30 June 2016

6 months to	6 months to
30 June 2016	30 June 2015
(unaudited)	(unaudited)
\$000	\$000

Profit / (loss) before taxation	3,488	(4,124)
<b>Adjustments for:</b>		
Finance costs	2,546	2,980
Depreciation of property, plant and equipment	9,844	10,780
Amortisation of mining rights and other intangible assets	954	1,026
Share-based payment expense	9	28
Write down of unrecoverable inventory	78	-
<b>Operating cash flow before movements in working capital</b>	<b>16,919</b>	<b>10,690</b>
Increase in trade and other receivables	(1,372)	(1,381)
(Increase) / decrease in inventories	(1,020)	4,261
Increase in trade and other payables	2,388	1,969
<b>Cash generated from operations</b>	<b>16,915</b>	<b>15,539</b>
Income tax paid	-	-
<b>Net cash generated from operating activities</b>	<b>16,915</b>	<b>15,539</b>
<b>Investing activities</b>		
Expenditure on property, plant and equipment and mine development	(6,576)	(9,141)
Investment in exploration and evaluation activities	(134)	(201)
<b>Net cash used in investing activities</b>	<b>(6,710)</b>	<b>(9,342)</b>
<b>Financing activities</b>		
Proceeds from borrowing	6,105	3,404
Repayment of borrowings	(11,468)	(5,772)
Interest paid	(1,829)	(2,367)
<b>Net cash outflow from financing activities</b>	<b>(7,192)</b>	<b>(4,735)</b>
<b>Net increase in cash and cash equivalents</b>	<b>3,013</b>	<b>1,462</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>249</b>	<b>322</b>
<b>Cash and cash equivalents at end of the period</b>	<b>3,262</b>	<b>1,784</b>

## Anglo Asian Mining plc

### Condensed group statement of changes in equity

Six months ended 30 June 2016  
(Unaudited)

Share-based

	Share capital \$000	Share premium \$000	payment reserve \$000	Merger reserve \$000	Retained loss \$000	Total equity \$000
1 January 2016	1,993	32,325	283	46,206	(2,163)	78,644
Profit for the period	-	-	-	-	424	424
Share based payment	-	-	9	-	-	9
<b>30 June 2016</b>	<b>1,993</b>	<b>32,325</b>	<b>292</b>	<b>46,206</b>	<b>(1,739)</b>	<b>79,077</b>

Six months ended 30 June 2015  
(Unaudited)

	Share capital \$000	Share premium \$000	Share-based payment reserve \$000	Merger reserve \$000	Retained earnings \$000	Total equity \$000
1 January 2015	1,978	32,246	670	46,206	4,816	85,916
Loss for the period	-	-	-	-	(3,378)	(3,378)
Share based payment	-	-	28	-	-	28
<b>30 June 2015</b>	<b>1,978</b>	<b>32,246</b>	<b>698</b>	<b>46,206</b>	<b>1,438</b>	<b>82,566</b>

**Anglo Asian Mining plc**  
**Notes to the condensed group financial statements**  
Six months ended 30 June 2016

**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 financial statements for the six month period to 30 June 2016 have been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting' as issued by the International Accounting Standards Board. The information for the half year ended 30 June 2016 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 2015 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 financial statements have not been audited.

The condensed group financial statements have been prepared under the historical cost convention except for the treatment of share based payments. The condensed group 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 financial statements "£" and "pence" are references to the United Kingdom pound sterling.

### ***Accounting policies***

The annual financial statements of Anglo Asian Mining plc are prepared in accordance with IFRSs as issued by the International Accounting Standards Board and as adopted by the European Union. The condensed group financial statements included in this half-yearly financial report have been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting', as issued by the International Accounting Standards Board and adopted by the European Union.

The accounting policies adopted in the 2016 half-yearly condensed group financial statements are the same as those adopted in the 2015 annual report and accounts, other than those in respect of new and revised standards that become effective from 1 January 2016 as follows:

- Amendments to IAS 1 Disclosure Initiative.
- Annual IFRS Improvements Process – IAS 34 Interim Financial Reporting – Disclosure of information 'elsewhere in the interim financial report'.

The adoption of these standards has had no material impact on the 2016 half-yearly condensed group financial statements.

### ***Going concern***

The directors have prepared the condensed group financial statements on a going concern basis after reviewing the Group's cash position for the period to 31 December 2017 and satisfying themselves that the Group will have sufficient funds on hand to realise its assets and meet its obligations as and when they fall due.

In making this assessment the directors have acknowledged the challenging and uncertain market conditions in which the Group is operating. In 2015, the price of gold averaged \$1,160 per ounce with a high of \$1,298 per ounce and a low of \$1,060 per ounce. However, 2016 has seen a small but significant increase in the price of gold and during the period 1 January to 30 June 2016, the price of gold averaged \$1,210 per ounce. In addition, 2016 and 2017 will see the benefit of a full years' contribution of revenues from the flotation plant.

The Group commenced making payments on the principal of its debt in 2015. At the date of these condensed group financial statements, the Group has made all payments of interest and principal on time.

The Group's loan agreement with the Amsterdam Trade Bank contains a debt service cover ratio ("DSCR") covenant of at least 1.25. This ratio is calculated twice a year from its published financial statements. The Group has so far met the DSCR of 1.25 for all reporting periods subsequent to loan drawdown. For the full year to 31 December 2016 and subsequent periods, the Group's forecasts show the Group can meet the debt service cover ratio of 1.25 as specified.

Key to achieving the Group's forecast cash position, and therefore its going concern assumption are the following:

- achieving the forecast production of gold doré from its heap and agitation leaching facilities.
- achieving the forecast production of precious metal concentrates from its SART and flotation processing.

- its metal (principally gold and copper) price assumptions being met or bettered.

Should there be a moderate and sustained decrease in either the production or metal price assumptions, doubt would be cast over the Group's short term cash position. Under this circumstance, the Group would look to defer all non-essential capital expenditure and administrative costs in order to preserve cash. The Group also has access to local sources of short term finance to meet any shortfalls.

The Group's assumptions are based on best estimates and appropriate sensitivities have been applied. Appropriate rigour and diligence has been performed by the directors in approving the assumptions. The directors believe all assumptions are prepared on a realistic basis using the best available information.

After making due enquiry, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Group continues to adopt the going concern basis in preparing the financial statements.

## 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 Gedabek mines which accounts 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.

All sales of gold and silver bullion are made to one customer, the Group's gold refinery, MKS Finance SA, based in Switzerland. Copper concentrate is sold to Industrial Minerals SA.

## 3 Income tax

Income tax (charge) or credit during the period represents the change in deferred tax liability during the period incurred by the RV Investment Group Services LLC (a wholly owned subsidiary of the Company) representative office registered in Azerbaijan.

The deferred tax asset or liability is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax 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 tax is also dealt with in equity.

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

Deferred tax liability increased in the 6 months to 30 June 2016 due to a decrease in temporary differences arising from a decrease of unused tax losses during the period.

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

## 4 Profit / (loss) per ordinary share

	6 months to 30 June 2016 (unaudited) \$000	6 months to 30 June 2015 (unaudited) \$000
<b>Profit / (loss) per ordinary share</b>		
Profit / (loss) after tax for the period	<b>424</b>	(3,378)

Basic profit / (loss) per share (US cents)	<b>0.38</b>	(3.02)
Diluted profit / (loss) per share (US cents)	<b>0.38</b>	(3.02)

<b>Weighted average number of shares</b>	<b>Number</b>	<b>Number</b>
For basic earnings per share	<b>112,661,024</b>	111,683,972
For diluted earnings per share	<b>113,761,024</b>	111,683,972

## 5 Intangible assets

	Exploration & evaluation Ordubad (unaudited) \$000	Mining rights (unaudited) \$000	Other intangible assets (unaudited) \$000	Total (unaudited) \$000
<b>Cost</b>				
1 January 2015	3,513	41,925	468	45,906
Additions	347	-	30	377
31 December 2015	3,860	41,925	498	46,283
Additions	134	-	-	134
<b>30 June 2016</b>	<b>3,994</b>	<b>41,925</b>	<b>498</b>	<b>46,417</b>
<b>Amortisation and impairment</b>				
1 January 2015	-	25,606	255	25,861
Charge for year	-	2,020	29	2,049
31 December 2015	-	27,626	284	27,910
Charge for period	-	940	14	954
<b>30 June 2016</b>	<b>-</b>	<b>28,566</b>	<b>298</b>	<b>28,864</b>
<b>Net book value</b>				
31 December 2015	3,860	14,299	214	18,373
<b>30 June 2016</b>	<b>3,994</b>	<b>13,359</b>	<b>200</b>	<b>17,553</b>

## 6 Property, plant and equipment

	Plant and equipment, motor vehicles and leasehold improvements (unaudited) \$000	Producing mines (unaudited) \$000	Assets under construction (unaudited) \$000	Total (unaudited) \$000
<b>Cost</b>				

1 January 2015	19,409	159,898	2,093	181,400
Additions	257	6,810	7,222	14,289
Transfer to producing mines	-	8,838	(8,838)	-
Decrease in provision for rehabilitation	-	(484)	-	(484)
31 December 2015	19,666	175,062	477	195,205
Additions	205	3,169	2,184	5,558
Transfer to producing mines	-	1,279	(1,279)	-
<b>30 June 2016</b>	<b>19,871</b>	<b>179,510</b>	<b>1,382</b>	<b>200,763</b>

#### Depreciation and impairment

1 January 2015	10,761	56,208	-	66,969
Charge for year	1,881	17,927	-	19,808
31 December 2015	12,642	74,135	-	86,777
Charge for period	991	8,854	-	9,845
<b>30 June 2016</b>	<b>13,633</b>	<b>82,989</b>	<b>-</b>	<b>96,622</b>

#### Net book value

31 December 2015	7,024	100,927	477	108,428
<b>30 June 2016</b>	<b>6,238</b>	<b>96,521</b>	<b>1,382</b>	<b>104,141</b>

## 7 Inventory

<b>Non-current assets</b>	<b>30 June 2016 (unaudited) \$000</b>	<b>30 June 2015 (unaudited) \$000</b>	<b>31 December 2015 (audited) \$000</b>
<b>Cost</b>			
Ore stockpiles	<b>2,595</b>	2,071	2,543

<b>Current assets</b>			
<b>Cost</b>			
Finished goods - bullion	<b>680</b>	1,078	1,441
Finished goods - metal in concentrate	<b>507</b>	159	203
Metal in circuit	<b>12,618</b>	16,267	11,899
Ore stockpiles	<b>5,040</b>	2,043	4,635
Spare parts and consumables	<b>8,242</b>	9,146	8,019
<b>Total current inventories</b>	<b>27,087</b>	28,693	26,197
<b>Total inventories</b>	<b>29,682</b>	30,764	28,740

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.

Non-current ore stockpiles consist of high-grade sulphide ore that is expected to be processed more than 12 months after the balance sheet date.

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

## 8 Trade and other receivables

	<b>30 June 2016 (unaudited) \$000</b>	30 June 2015 (unaudited) \$000	31 December 2015 (audited) \$000
<b>Non-current assets</b>			
Advances for fixed asset purchases	<b>1,018</b>	677	-
Loans	<b>95</b>	141	120
	<b>1,113</b>	818	120
<b>Current assets</b>			
Gold held due to the Government of Azerbaijan	<b>5,093</b>	8,349	12,412
VAT refund due	<b>319</b>	538	186
Other tax receivable	<b>789</b>	617	720
Trade receivables	<b>1,820</b>	341	642
Prepayments and advances	<b>2,138</b>	2,628	2,121
Loans	<b>50</b>	50	50
	<b>10,209</b>	12,523	16,131

The carrying amount of trade and other receivables approximates to their fair value.

The VAT refunds due relate to VAT paid on purchases.

Gold bullion held and transferable to the Government of Azerbaijan 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 of Azerbaijan. A corresponding liability to the Government of Azerbaijan is included in trade and other payables as disclosed in note 9.

The Group does not consider any trade and other receivables as past due or impaired.

## 9 Trade and other payables

	<b>30 June 2016 (unaudited) \$000</b>	30 June 2015 (unaudited) \$000	31 December 2015 (audited) \$000
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Accruals and other payables	<b>4,349</b>	6,768	4,861
Derivative liability	<b>262</b>	-	-
Trade creditors	<b>4,711</b>	4,594	2,302
Gold held due to the Government of Azerbaijan	<b>5,093</b>	8,349	12,412
Payable to the Government of Azerbaijan from copper concentrate joint sale	<b>1,180</b>	344	537
	<b>15,595</b>	20,055	20,112

## 10 Interest-bearing loans and borrowings

### *Amortised cost*

	<b>30 June 2016 (unaudited) \$000</b>	30 June 2015 (unaudited) \$000	31 December 2015 (audited) \$000
International Bank of Azerbaijan – agitation leaching plant loan	<b>8,700</b>	11,809	10,209
International Bank of Azerbaijan – loan facilities	<b>3,320</b>	1,500	1,500
Amsterdam Trade Bank	<b>22,186</b>	31,899	27,096
Atlas Copco – vendor financing	<b>1,390</b>	727	355
Yapi Kredit Bank	<b>1,373</b>	434	1,659
Pasha Bank	<b>3,161</b>	2,142	4,617
Director	<b>3,860</b>	2,000	3,860
Total interest bearing loans and borrowings	<b>43,990</b>	50,511	49,296
Loans repayable in less than one year	<b>26,733</b>	20,325	26,708
Loans repayable in more than one year	<b>17,257</b>	30,186	22,588
Total interest bearing loans and borrowings	<b>43,990</b>	50,511	49,296

### **International Bank of Azerbaijan**

#### ***Agitation leaching plant loan***

In 2012 and 2013, the Group borrowed \$49.5 million under a series of loan agreements to finance the construction of its agitation leaching plant. The interest rate for each agreement is 12 per cent. The repayment of principal begins two years from the withdrawal date for each agreement. The loans were partially repaid by the proceeds of a refinancing loan from Amsterdam Trade Bank. The loan agreements are repayable commencing in 31 March 2015 and finishing in 30 June 2018.

#### ***Loan facilities***

During 2014, the Group entered into a credit facility for \$1.5 million for a period of one year at an interest rate of 12 per cent. The repayment date of the credit facility was extended in 2015 and the loan was repaid in July 2016. In January and March 2016, the Group entered into two credit facilities for AZN1.0 million and \$1.5 million respectively. Both loans are repayable in equal monthly installments over a period of one year and have an interest rate of 18 and 12 per cent. respectively.

### **Amsterdam Trade Bank**

During 2013, the Group entered into a loan agreement for \$37.0 million to refinance its agitation leaching plant loan from the International Bank of Azerbaijan. The interest rate is 8.25 per cent. per annum plus LIBOR. Principal is repayable in 15 equal quarterly installments of \$2,467,000. The first payment of principal commenced in February 2015 with the final installment payable in August 2018. The Group has pledged to the bank its present and future claims against MKS Finance SA, the Group's sole refiner of gold doré and buyer of gold and silver bullion until termination of the loan agreement.

### **Atlas Copco**

The amount outstanding is in respect of two vendor equipment financing contracts. It comprises €324,000 which was repaid in August 2016 and €1,104,500 which was a new financing in 2016 for underground equipment. The 2016 financing carries an interest rate of 8.14 per cent. per annum and is repayable in 8 equal annual installments commencing in August 2016 with the final repayment in May 2018.

#### **Yapi Credit Bank, Azerbaijan**

The amount outstanding is in respect of 2 letters of credit. The interest rate for the letters of credit is 10 per cent. and both are repayable within 12 months of drawdown.

#### **Pasha Bank**

##### ***Letters of credit for flotation plant construction***

In 2014, the Group entered into a facility for \$2.5 million to finance a letter of credit for the construction of its flotation plant. The facility carries an interest rate of 6 per cent. for the unused portion of, and 6.8 per cent. plus one month LIBOR for the used portion of the credit facility. In 2015, an additional facility was entered into for \$1.0 million which carries an interest rate of 6.2 per cent. for the unused portion and 7.05 per cent. plus one month LIBOR for the used portion of the credit facility. The total amount outstanding under the two facilities at 30 June 2016 was \$1,837,000 (31 December 2015: \$3,233,000). The total amount outstanding under the two facilities is repayable in November 2016.

##### ***Letters of credit for cyanide purchases***

On 4 July 2014, the Group entered into a credit facility to finance letters of credit with a total amount of \$3,059,000 (ANZ 2.4 million) for the purchase of cyanide. This facility was extended in 2015 to 7 July 2017 for a total amount of \$3 million at an interest rate of 3 per cent. The amount outstanding under these facilities as 30 June 2016 was \$1,324,000 (31 December 2015: \$1,384,000). The amounts outstanding are all repayable within 12 months of the balance sheet date.

#### **Director**

On 20 May 2015, the chief executive of Anglo Asian Mining PLC provided a \$4 million loan facility to the Group. Any loan from the facility was initially repayable on 8 January 2016 at an interest rate of 10 per cent. On 8 January, 2016 the repayment date for the loan facility was extended till 8 July 2016 with all other terms remaining the same. The loan has been subsequently extended a further six months on identical terms.

As Reza Vaziri, the chief executive of Anglo Asian Mining PLC is a director of the Company, the loan constitutes a related party transaction pursuant to AIM rule 13. The independent directors (being Khosrow Zamani, Richard Round, John H. Sununu and John Monhemius) consider, that having consulted with the Company's nominated adviser, SP Angel Corporate Finance LLP, that the terms of the loan are fair and reasonable insofar as its shareholders are concerned.

## **11 Share capital**

	shares	US\$000
<b>Ordinary shares issued and fully paid:</b>		
1 January 2015	111,683,972	1,978
Shares issued in lieu of cash payment	977,052	15
<b>31 December 2015 and 30 June 2016</b>	<b>112,661,024</b>	<b>1,993</b>

## **12 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 (Piazbashi, Agyurt, Shakardara, Kiliyaki), Soutely, Kyzilbulag and Vejnali deposits dated 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, with regards to the exploration and development programme, preparation and timely submission of reports to the Government, compliance with environmental and ecological requirements, etc. The directors believe that RVIG is in compliance with the requirements of the PSA. The Group has submitted a development and production programme to the Ministry of Ecology and Natural Resources of the Government of Azerbaijan in accordance with the PSA requirements.

The mining licence of Gedabek expires in March 2022, with options to extend the licence by ten years conditional upon satisfaction by RVIG of certain requirements stipulated in the PSA.

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.

There were no operating lease commitments at 30 June 2016.

On 20 January 2012, the Group entered into a non-cash credit line agreement in the amount of \$3,000,000 for letter of credits with YapiKredi Bank Azerbaijan. A new pledge agreement was signed with YapiKredi Bank Azerbaijan for guarantee of letters of credit opened under the above mentioned agreement. According to this pledge agreement, movable equipment for the amount of \$3,402,000 was pledged to guarantee letters of credit opened under the agreement.

### **13 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 2016 of \$778,000 (6 months to 30 June 2015: \$544,000 ) were made for equipment and spare parts purchased from Proses Muhendislik Danismanlik Inshaat veTasarim Anonim Shirket ("PMDI"), the entity in which the chief technical officer of Azerbaijan International Mining Company has a direct ownership interest. There is an outstanding advance payment to PMDI at 30 June 2016 of \$138,000 (30 June 2015: \$71,000 and 31 December 2015: \$65,000).
- b) On 22 July 2015, 977,052 ordinary shares were issued to three directors to settle certain fees and expenses of those directors. The total amount of fees and expenses settled was \$115,054 and \$1,962 respectively.
- c) On 20 May 2015, the chief executive made a \$4 million loan facility available to the Group. The interest accrued and unpaid at 30 June 2016 was \$394,000 (30 June 2015: \$22,000 and 31 December 2015: \$195,000). Details of the loan are disclosed in note 10 - "Interest-bearing loans and borrowings".

### **14 Approval of condensed group financial statements**

The condensed group financial statements of Anglo Asian Mining plc and its subsidiaries for the six month period ended 30 June 2016 were authorised for issue in accordance with a resolution of the directors on 9 September 2016.

**\*\*ENDS\*\***

For further information please visit [www.angloasianmining.com](http://www.angloasianmining.com) or contact:

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### **Competent Person Statement**

The information in the announcement that relates to exploration results is based on information compiled by Stephen Westhead who is Director of Geology at the Anglo Asian Mining group and a member of the Geological Society of London and a Chartered Geologist.

Stephen Westhead has sufficient experience, relevant to the style of mineralisation and type of deposit under consideration and to the activity, which he is undertaking, to qualify as a qualified person as defined by the AIM rules. Stephen Westhead has reviewed the exploration results included in this announcement.

### **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 has a 1,962 square kilometre portfolio, assembled from analysis of historic Soviet geological data and held under a Production Sharing Agreement modelled on the Azeri oil industry.

The Company developed Azerbaijan's first operating gold/copper/silver mine, Gedabek, which commenced gold production in May 2009. Gedabek is an open cast mine with a series of interconnected pits. The Company is also mines high grade ore from the Gadir underground mine which is co-located at the Gedabek site. The Company has a second underground mine, Gosha, which is 50 kilometres from Gedabek. Ore mined at Gosha is processed at Anglo Asian's Gedabek plant.

Gold production for the year ended 31 December 2015 from Gedabek totaled 72,032 ounces with 969 tonnes of copper also produced. Gedabek is a polymetallic deposit and its ore has a high copper content, and as a result the Company produces copper concentrate from its Sulphidisation, Acidification, Recycling, and Thickening (SART) plant. Anglo Asian also produces a copper and precious metal concentrate from its flotation plant, which commenced production in the last quarter of 2015.

Anglo Asian is also actively seeking to exploit its first mover advantage in Azerbaijan to identify additional projects, as well as looking for other properties in order to fulfil its expansion ambitions and become a mid-tier gold and copper metal production company.

