26 September 2023

Anglo Asian Mining plc
Interim results for the six-months to 30 June 2023
FY 2023 Production Guidance at 30,000 to 34,000 gold equivalent ounces

Anglo Asian Mining plc ("Anglo Asian", the "Company" or the “Group”), the AIM-listed copper, gold, and silver producer in Azerbaijan announces its interim results for the six-months ended 30 June 2023 (“H1 2023” or the “Period”). The Group’s performance in the Period was in line with expectations given the declining grades of the Gedabek open pit. The Group also released its strategic plan to become a mid-tier copper focused miner and double its production.

The curtailment of the Group’s agitation leaching and flotation processing from the beginning of August presented the Group with significant challenges in the latter half of the year. The report from Micon International Co Limited (“Micon”) containing the results of the environmental inspection is currently being finalised.

Financial highlights

- Total revenues of $30.8 million (H1 2022: $31.5 million)
  - Lower gold bullion sales of 10,506 ounces (H1 2022: 11,273 ounces) partially offset by a higher average gold sales price of $1,939 per ounce (H1 2022: $1,901 per ounce)
  - Copper concentrate sales increased to $10.4 million (H1 2022: $9.8 million)
- Profit before taxation of $1.4 million (H1 2022: $5.7 million)
  - Cost of sales increased by $4.8 million due to the increased costs of processing lower grade ore
  - Profit before taxation includes a charge of $0.2 million (H1 2022: $1.6 million) in respect of the Group’s share of the loss of Libero Copper & Gold Corporation
- Further investment in Libero Copper & Gold Corporation of $0.6 million (H1 2022: $2.8 million)
- All-in sustaining cost (“AISC”) of gold production increased to $1,357 per ounce (H1 2022: $983 per ounce) due to lower gold production
- Free cashflow was a net outflow of $9.8 million (H1 2022: $13.2 million)
    - $6.6 million capital expenditure and mine development (H1 2022: $4.8 million)

    - $3.8 million on exploration and evaluation activities (H1 2022: $2.4 million)
- Cash of $9.6 million as at 30 June 2023 (31 December 2022: $20.4 million) and no bank debt
- No interim dividend declared for 2023 due to curtailment of processing subsequent to the Period end

Operational highlights

- Total production of 23,391 GEOs (H1 2022: 28,772 GEOs) due to lower gold grades at Gedabek
    - Gold production of 14,608 ounces (H1 2022: 20,906 ounces)
    - Copper production of 1,860 tonnes (H1 2022: 1,283 tonnes)
    - Silver production of 44,576 ounces (H1 2022: 99,548 ounces)
- Construction of Gilar and Zafar mines commenced although development was stopped between August and September
    - Development expected to be restarted in October
- Capacity of flotation plant increased to provide operational flexibility and process the future increased rates of production
- FY 2023 production guidance of between 30,000 to 34,000 gold equivalent ounces
    - Decrease as a result of curtailment of agitation leaching and flotation processing since the beginning of August 2023
    - Only heap leach production expected to be carried out between August and December 2023
    - Assumes restart of agitation leaching and flotation processing in the first quarter of 2024

Curtailment of agitation leaching and flotation processing in August 2023

- As previously announced, the Company’s agitation leaching and flotation processing have been curtailed since the start of August 2023
- Heap leaching continues as normal with 3,684 ounces of gold produced from 1 July to 22 September 2023
- Development of the Gilar and Zafar mines delayed due to blasting suspended in August and September
- Micon commissioned to carry out a health, safety and environmental management review of tailings dam management at Gedabek

    - The report of the environmental inspection is currently being finalised
- Until the Micon report is finalised, and the Group is able to restart full operations, there is a material uncertainty as to the Group's ability to continue as a going concern

Anglo Asian CEO Reza Vaziri commented:

"Our results for the Period were satisfactory, and within expectations, given that we were predominantly only mining from our open pit mine. The ore mined contains reducing gold grades as the mine approaches the end of its life. However, copper production increased as the processing capacity of our flotation plant was increased and a higher proportion of the capacity of our crushing and grinding circuits was utilised to provide it with feedstock.

"The curtailment of our agitation leaching and flotation processing whilst an environmental inspection was carried out, whilst regrettable, was understandable. The Company has fully cooperated with all Government requests to ensure the environmental inspection was carried out properly and to expedite other related matters. The report by Micon of the environmental inspection is currently being finalised.

"Given the curtailment of agitation leaching and flotation processing, we have also revised our production guidance for the year to between 30,000 and 34,000 gold equivalent ounces. This guidance assumes agitation leaching and flotation processing will not be restarted until 2024.

"We published our growth strategy during the Period, which we believe is an achievable plan to transition to mid-tier producer status with copper as our principal commodity. We remain committed to our growth strategy, and whilst the curtailment of processing has led to certain implementation delays, we are entirely focused on, and confident of, achieving mid-tier production in the medium term."

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.

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Chairman's statement

Dear Shareholders

Our performance in the six months to 30 June 2023 was in line with our expectations and previously issued guidance. The Company also made good progress in advancing its strategy to become a mid-tier miner in the next few years.

However, it is important to address the significant challenges the Company is facing in the latter half of 2023 as a result of the protests against the construction of a second tailings dam at Gedabek. To ensure the existing tailings dam presented no danger to local residents or Company employees, Micon carried out a health, safety and environmental review of tailings management at Gedabek in July 2023. Agitation leaching and flotation processing was also curtailed from the beginning of August.

Our first half year performance was resilient despite falling grades at Gedabek and macro-economic inflationary challenges. Total half-year production was 23,291 gold equivalent ounces ("GEOs") and in line with management's expectations. Copper production increased significantly, growing by 45 per cent. year-on-year to a total of 1,860 tonnes in line with our strategic growth targets.

We have revised our production guidance for 2023 to between 30,000 to 34,000 GEOs due to the curtailment of processing in the second half of the year. We maintained a cash balance of $9.4 million at the Period end with a total of saleable inventory at a market value of $9.1 million. We have not declared an interim dividend for 2023 due to the curtailment of processing subsequent to the Period end.

In March, we announced our medium-term growth strategy, which envisaged Anglo Asian more than doubling its production within the next five years as the Company transitions to a multi-asset, mid-tier producer with a portfolio dominated by copper. The completion of this strategy was a significant achievement, and I would like to thank the entire management team for their hard work and dedication in developing it. Whilst the recent curtailment of processing has led to certain implementation delays to the growth strategy, we are entirely focused on, and confident of, achieving mid-tier production in the medium term and delivering the considerable shareholder value of which the strategy is capable.

During the Period, we made two follow-on investments in Libero Copper & Gold Corporation, the owner of several copper exploration properties in North and South America including Mocoa, one of the world's largest undeveloped copper-molybdenum resources. However, we did not participate in Libero's private placing announced in July 2023. Our shareholding is currently 17.4 per cent. but we have the right to increase this in the future. Libero represents an exciting proposition for Anglo Asian, with meaningful deposits that align with our growth strategy.

We are still waiting for Micon to issue the final report of their Health, Safety and Environmental review of tailings management at the Gedabek site in late July 2023. Once the Micon report is finalised, we will fully update our shareholders. Until the Micon report is released, and the Group is able to resume full operations, there is a material uncertainty as to the Group's ability to continue as a going concern.

At our Annual General Meeting, which was held in London on 22 June 2023, the directors were pleased to engage with shareholders and receive their feedback on the Company's performance. Pleasingly, there was strong support for Anglo Asian's growth strategy and prospects.

We are monitoring closely the very recent events in Karabakh. There have been reports in the press that the Azerbaijan Government has taken back control of the Demirli/Kyzlbulag mine, which is located in our contract areas. We will keep shareholders fully updated regarding future events.

I would like to extend my sincere gratitude to all Anglo Asian employees, partners and the Government of Azerbaijan for their continued support in what continue to be challenging times. I also wish to thank our shareholders for their unwavering support of Anglo Asian Mining.

Khosrow Zamani
Non-executive chairman
25 September 2023

Chief Executive Officer's review

The performance of the Company in H1 2023 was satisfactory given that this year we are transitioning away from mining from our legacy open pit mine to our new mines under development and the challenging external conditions. We also unveiled our strategic growth plan outlining a five-year transition to become a mid-tier miner with production of approximately 36,000 tonnes of copper equivalent by 2028.

The operational performance in H1 2023, has regrettably been overshadowed by subsequent events. Following protests at Gedabek in June 2023 against the construction of a second tailings dam, the Company and the Government of Azerbaijan ("Government") jointly commissioned a third-party inspection to reassure residents that our tailings facility and management practices present no threat to the health of local communities. Micon visited Gedabek in July 2023 and carried out the inspection to determine our working practices were safe and that no discharge of cyanide into the environment was taking place. The Company also curtailed agitation leaching and flotation processing from the beginning of August whilst Micon prepared their results. We are still awaiting the final report on Micon's inspection.

Operational review

Total production for the Period was 23,391 gold equivalent ounces ("GEOs") compared to 28,722 GEOs during the same period last year. Copper production totalled 1,860 tonnes, a significant increase versus last year and in line with our growth strategy. Gold production was at 14,608 ounces, slightly lower than in 2022 due to reduced grades at Gedabek. Additionally, silver production totalled 44,576 ounces.

During the Period, we also completed the expansion of our Gedabek flotation plant, increasing our processing capacity to provide significant operational flexibility. This is a critical step in meeting our growth targets.

We also made considerable progress with our new mines. At Gilar, further drill results confirmed an extension to the previously reported mineralisation, where the deeper zone confirmed significant quantities of gold, copper and zinc with an intercept thickness of over 50 metres.

We completed a mining scoping study to determine the development and construction of the Zafar mine. Zafar has a JORC Mineral Resource of 28,000 tonnes of copper, 73,000 ounces of gold and 36,000 tonnes of zinc, with production planned from 2024. Construction of the mine started in the Period but development was suspended from August.

In February, we announced the purchase of an underground mining fleet from Caterpillar and drilling machinery from Epiroc which will be used initially at Zafar and Gilar. The total cost of this equipment was $10 million, with 40 per cent. paid from our cash reserves and the rest via vendor financing. This is Caterpillar's first vendor financing agreement in Azerbaijan and the wider Caucasus region, so represents a strong endorsement. However, the purchase of the equipment is currently on hold whilst processing is curtailed.

At Garadag, following an assessment of the historical geological data acquired from AzerGold CJSC, we confirmed the potential to produce over 300,000 tonnes of copper. We also completed an initial geological block model and open pit optimisation study at Xarxar. Xarxar and Garadag underpin our medium-term growth strategy and are both world class assets that contain considerable quantities of copper. We expect these projects to be commissioned by 2026 and 2028 respectively.

Financial review

The Company maintained a satisfactory financial performance in H1 2023 with half-year revenues of $30.8 million, slightly down from $31.5 million in 2022. This includes gold bullion sales of 10,506 ounces at an average price of $1,939 per ounce and total copper concentrate sales of 6,648 dry metric tonnes valued at $10.4 million. Decreased gold bullion sales were offset by increased sales of copper concentrate which is becoming an increasing proportion of our production.

The Group decided to hedge some of its gold bullion production in 2023 given that the price of gold appeared to plateau earlier in the year. In June 2023, monthly forward sales of gold bullion were made of approximately 25 to 30 per cent. of budgeted production for the remainder of 2023. A total of 4,600 ounces were sold at prices between $1,950 to $1,979 per ounce. The first forward sale of 1,000 ounces of gold bullion was completed at the end of June 2023, generating additional revenue of $35,250.

Free cash flow from operations was an outflow of $9.8 million compared to $13.2 million in H1 2022. The improvement arose due to less cash being absorbed by increased working capital.

The Group managed costs satisfactorily during the Period. Due to the lower gold production, our all-in sustaining cost of gold production increased in H1 2023 to $1,357 per ounce compared to $983 in H1 2022.

The Company had cash of $9.4 million at 30 June 2023 and saleable inventory of 2,553 ounces of gold with a market value of $4.9 million, and copper concentrate with a market value of $4.2 million.

Revenues from production at Gedabek continued to be subject to an effective royalty of 12.75 per cent. through our production sharing agreement with the Government of Azerbaijan. We anticipate that this same royalty rate will continue to apply to at least the end of 2025. Part of the gold and silver produced from the ore stockpile at Vejnaly was sold in the Period. This was subject to an effective royalty of 32 per cent. because the ore stockpile was acquired at zero cost.

Revised production guidance for 2023

Due to the curtailment of processing, the Company has only produced gold doré and SART concentrate from heap leaching since the beginning of August 2023. The Group has revised its production guidance for the 12 months to 31 December 2023 to between 30,000 to 34,000 gold equivalent ounces. This includes 22,000 to 23,000 ounces of gold and 2,100 to 2,200 tonnes of copper. This assumes that agitation leaching and flotation processing are not restarted before the end of 2023.

Environmental inspection and suspension of processing in August

Anglo Asian has been operating at Gedabek since 2009. It is proud of its long-standing and strong community relations, particularly its significant social and economic contribution to the local area. Accordingly, the protests in June 2023 over the construction of a second tailings dam were unexpected. Following the protests, Micon carried out a health, safety and environmental review of tailings management at the Gedabek site in late July 2023. The review was carried out under the auspices of the Ministry of Ecology and Natural Resources of Azerbaijan. The Company's local environmental engineers, CQA International, and its independent tailings management consultant Knight Piésold, assisted in the review. Environmental samples were taken by both Micon and the Company and assayed by independent accredited laboratories. The Company is still awaiting the final report from Micon regarding the environmental inspection.

The Company has been carrying out extensive maintenance of its operations during the suspension of processing including relining all its mills. These works will also make good an accumulated backlog of wear and tear. The Company also suspended blasting during the curtailment of processing which stopped development of the Gilar and Zafar mines. The commencement of mining from Gilar will therefore be delayed until the first quarter of 2024. The delivery of the mining fleet from Caterpillar Inc. was also postponed given the delay in mine development. The installation of the new Imhoflot flotation cells in the flotation plant was also postponed to 2024.

Tailings storage at Gedabek

The current tailings dam is almost full and the Company has submitted plans to the Government for a further 7.5 metre raise of the wall to give sufficient capacity for two to three years of production. This raise will be carried out in two stages with the first raise of 2.5 metres being completed in approximately four months after permission is obtained. This permission will only be granted following a further independent inspection of the stability of the tailings dam wall commissioned by the Government. It is expected that permission will be received in January 2024 provided the independent inspection reveals no defects in the wall.

Environment, Safety and Governance ("ESG")

Anglo Asian is committed to complying with all relevant sustainability best practice standards. We remain on target with our internal ESG development timetable and have made meaningful progress during the Period.

Outlook

In the immediate future, we will be primarily focused on working with the Government to fully resume mining and processing at Gebabek. Longer term, we will remain committed to pursuing our strategy to become a mid-tier miner and delivering attractive shareholder returns.

Reza Vaziri

President and chief executive

25 September 2023

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 http://www.angloasianmining.com/media/pdf/CORPORATE_GOVERNANCE.pdf

Competent Person Statement

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

Geologists, Fellow of The Institute of Materials, Minerals and Mining and a Member of the Institute of Directors.

Stephen Westhead has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'; 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 Fellow 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.

Strategic report

Principal activities

Anglo Asian Mining PLC (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 gold and copper deposits in Azerbaijan.

The Group also owns approximately 17.4 per cent. of Libero Copper & Gold Corporation ("Libero"), a company which owns several copper exploration properties in North and South America including Mocoa in Colombia, one of the world's largest undeveloped copper-molybdenum resources.

Production Sharing Agreement with the Government of Azerbaijan

The Group's mining concessions in Azerbaijan are held under a Production Sharing Agreement ("PSA") with the Government of Azerbaijan dated 20 August 1997. Amendments to the PSA were passed into law in Azerbaijan on 5 July 2022.

The Group's mining concessions are called Contract Areas and six were granted to the Group by the original PSA in 1997. These were Gedabek, Gosha, Ordubad, Vejnaly, Kyzlbulag and Soutely. However, there was no access to Vejnaly, Kyzlbulag and Soutely, which were situated in territory occupied at that time by Armenia. Following the resolution of the conflict between Azerbaijan and Armenia in 2020, access was obtained to Vejnaly in 2021.

On 5 July 2022, amendments to the PSA were passed into law by the Government of Azerbaijan which granted the Group three additional Contract Areas: Garadag, Xarxar and Demirli and relinquished Soutely. There was no payment made for the amendments to the PSA.

Contract Areas in Azerbaijan

Following the amendments to its PSA in 2022, the Group has eight Contract Areas covering a total of 2,544 square kilometres in western Azerbaijan:

- **Gedabek**. The location of the Group's primary gold, silver and copper open pit mine and the Gadir and Gedabek underground mines. The Group has two new underground mines in development at Gedabek - Zafar and Gilar. The Group's main processing facilities are also located at Gedabek.
- **Gosha**. Located approximately 50 kilometres from Gedabek and hosts a narrow vein gold and silver mine.
- **Xarxar.** Another copper deposit, adjacent to Garadag, which shows significant potential as it is likely part of the same mineral system.
- **Garadag.** Located to the north of Gedabek and which hosts the large Garadag copper deposit.
- **Vejnaly.** Situated in the Zangilan district of Azerbaijan and hosts the Vejnaly deposit.
- **Ordubad.** An early-stage gold and copper exploration project located in the Nakhchivan exclave.
- **Kyzlbulag.** Situated in the Karabakh economic region. Hosts the Demirli deposit, a copper/molybdenum mine and a processing plant. The Group currently has no access to the Kyzlbulag Contract Area.
- **Demirli.** Adjacent to Kyzlbulag and expands the Kyzlbulag Contract Area to the north-east. The Group currently has no access to the Demirli Contract Area.

Overview of the six months to 30 June 2023

The Company’s strategy is to transition into a mid-tier, copper-focused producer, which will be achieved through developing its significant assets. The Company has made significant progress towards becoming a mid-tier copper producer in the six months to 30 June 2023.

In January 2023, a third investment in Libero Copper & Gold Corporation ("Libero") was made to acquire 2.6 million new shares at CAN 15 cents per share for a total consideration of CAN$390,000 (US$289,000).

In January 2023, the portal to the Gilar mine, a new copper and gold mine at Gedabek, was completed and underground tunnelling commenced to access the mineral deposit.

In February 2023, a fourth investment was made in Libero to acquire 3.2 million new shares at CAN 15 cents per share for a total consideration of CAN$480,000 (US$355,000).

In February 2023, a mining scoping study was completed for the Zafar underground mine. Development work and the construction of two portals for the Zafar mine started.

In February 2023, contracts were executed for the purchase of the mining fleet and other major items of equipment required for the Company’s new Zafar and Gilar mines. Good progress was also made with the upgrades to the Gedabek flotation plant.

In March 2023, an initial geological block model and open pit optimisation study for Xarxar were completed identifying significant copper mineralisation. These models predicted potential mining and processing of 3 million tonnes of ore per annum, with a production target of 10,000 tonnes of copper metal per annum over a 7-year period.

In March 2023, an increased mineral resources estimate (non-JORC) (“MRE”) for the Gilar deposit was published. The MRE for Gilar now contains over 249,000 ounces of gold, 46,000 tonnes of copper, and 48,000 tonnes of zinc.

In March 2023, an initial assessment of data acquired in 2022 relating to the Garadag porphyry copper deposit confirmed the potential of the deposit to produce over 300,000 tonnes of copper.

In March 2023, the Company’s strategic plan for growth was announced including:

- Production to more than double in the next five years with the Company transitioning to a multi-asset, mid-tier copper and gold producer by 2028.

- Total production forecast to increase by 30 to 50 per cent. to 70,000 to 75,000 gold equivalent ounces for 2024 and 2025 (copper equivalent of 15,000 to 15,500 tonnes).
- Copper equivalent production forecast to increase to approximately 36,000 plus tonnes per annum (gold equivalent of 175,000 ounces) from 2028.
- Production growth to be delivered through the sequential opening of four new mines in Azerbaijan.

In May 2023, drill results further extended the mineralisation at Gilar.

Production target for 2023

The Group's initial production guidance for the year ended 31 December 2023 was 50,000 to 54,000 gold equivalent ounces. Following the curtailment of processing in August 2023, the production guidance was revised to between 30,000 to 34,000 gold equivalent ounces as follows:

Metal	Unit	Full year 2022 Actual production	Full year 2023 Production guidance
Gold	ounce	43,114	22,000 to 23,000
Copper	tonne	2,516	2,100 to 2,200
Total gold and copper	GEO*	57,618	30,000 to 34,000

The Company does not forecast silver production as it is not material.
**** Gold equivalent ounce***

The production guidance was calculated using a mixture of actual year to date and rest of year forecast metal prices to calculate the gold equivalent ounces.

Mineral resources and ore reserves

Key to the future development of the Group are the mineral resources and ore reserves within its Contract Areas. Mineral resources and ore reserves are produced both in accordance with the JORC (2012) code (“JORC”) and as non-JORC estimates.

The Group's most recent mineral resources and ore reserves estimates (amounts in-situ before recovery) in accordance with JORC for the Gedabek open pit and Gadir underground mine were published on 2 November 2020. Table 1 shows the Gedabek open pit mineral resources estimate and Table 2 shows the Gedabek open pit ore reserves estimate. Table 3 shows the Gadir underground mine mineral resources estimate and Table 4 shows the Gadir underground mine ore reserves estimate.

A final mineral resources estimate for the Zafar deposit at 30 November 2021 prepared in accordance with JORC was published on 21 March 2022 and is shown in Table 5. The latest non-JORC mineral resources estimate for the Gilar deposit was published in March 2023 and is shown in Table 6.

Table 7 shows the Soviet mineral resources for the Vejnaly deposit and Table 8 shows the Soviet C1 and C2 copper resources for the Garadag deposit.

Table 1 - Gedabek open pit mineral resources estimate at 30 June 2020

MINERAL RESOURCES (cut-off grade of 0.2 g/t gold)									
		In-situ grades				Contained metal			
Mineral Resources	**Tonnage (Mt)**	**Gold grade (g/t)**	**Copper grade (%)**	**Silver grade (g/t)**	**Zinc grade (%)**	**Gold (koz)**	**Copper (kt)**	**Silver (koz)**	**Zinc (kt)**
Measured	15.8	0.66	0.12	2.58	0.24	335	19.0	1,311	37.9
Indicated	12.0	0.56	0.12	2.31	0.16	216	14.4	891	19.2
Measured and Indicated	**27.8**	**0.62**	**0.12**	**2.46**	**0.21**	**551**	**33.4**	**2,202**	**57.1**
Inferred	13.0	0.44	0.06	0.61	0.15	184	7.8	255	19.5
TOTAL	**40.8**	**0.56**	**0.10**	**1.87**	**0.19**	**735**	**41.2**	**2,457**	**76.6**

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

ADDITIONAL MINERAL RESOURCES (additional to gold mineral resource) (gold cut-off < 0.2 g/t and copper > 0.3 %)												
	Gold		Copper		Silver		Zinc		Contained metal			
	Tonnage (Mt)	**Gold grade (g/t)**	**Tonnage (Mt)**	**Copper grade (%)**	**Tonnage (Mt)**	**Silver grade (g/t)**	**Tonnage (Mt)**	**Zinc grade (%)**	**Gold (koz)**	**Copper (kt)**	**Silver (koz)**	**Zinc (kt)**
Measured	-	-	2.15	0.43	0.08	16.4	1.86	0.53	-	9.2	42	9.9
Indicated	-	-	2.13	0.34	0.28	13.9	2.03	0.51	-	7.2	125	10.4
Measured and Indicated	**-**	**-**	**4.28**	**0.39**	**0.36**	**14.5**	**3.89**	**0.52**	**-**	**16.5**	**167**	**20.2**
Inferred	-	-	2.85	0.40	0.15	19.4	7.04	0.54	-	11.4	94	38.0
TOTAL	**-**	**-**	**7.10**	**0.39**	**0.51**	**15.9**	**10.9**	**0.50**	**-**	**27.9**	**261**	**58.2**

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

Mineral resource classifications are based on the gold estimation confidence. Copper, silver, and zinc are reported within these classifications.

Stockpiles included in Measured Resources and Ore Reserves							
		Stockpile grades			Contained metal		
Measured Mineral Resources	**Tonnage (Mt)**	**Gold grade (g/t)**	**Copper grade (%)**	**Silver grade (g/t)**	**Gold (koz)**	**Copper (kt)**	**Silver (koz)**
Agitation leach	0.02	1.87	0.24	17.79	1	-	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 in the above table may not sum due to rounding

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

		In-situ grades			Contained metal		
	Tonnage (Mt)	**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	-	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 RESERVES	**12.55**	**0.70**	**0.21**	**4.34**	**284**	**26.0**	**1,754**

Some of the totals in the above table may not sum 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)									
		In-situ grades				Contained Metal			
Mineral Resources	**Tonnage (kt)**	**Gold grade (g/t)**	**Copper grade (%)**	**Silver grade (g/t)**	**Zinc grade (%)**	**Gold (koz)**	**Copper (t)**	**Silver (koz)**	**Zinc (t)**
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 in the above table may not sum due to rounding

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

	Tonnage	In-situ grades			Contained metal		
	(Mt)	Gold grade (g/t)	Copper grade (%)	Silver grade (g/t)	Gold (koz)	Copper (t)	Silver (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 may 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 resources estimate at 30 November 2021

Copper > 0.3 per cent. copper equivalent

	Tonnage (Mt)	In-situ grades			Contained metal		
		Copper (%)	Gold (g/t)	Zinc (%)	Copper (kt)	Gold (kozs)	Zinc (kt)
Measured and indicated	5.5	0.5	0.4	0.6	25	64	32
Inferred	1.3	0.2	0.2	0.3	3	9	3
Total	**6.8**	**0.5**	**0.4**	**0.6**	**28**	**73**	**36**

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

Note that all tonnages reported are dry metric tonnes.

Table 6 – Latest non-JORC mineral resources estimate of the Gilar deposit

	Tonnes (Mt)	Gold (g/t)	Copper (%)	Zinc (%)	Gold (Oz)	Copper (T)	Zinc (T)
Class 1+2	3.93	1.53	0.93	0.94	192,929	36,687	37,009
Class 3	1.71	1.02	0.57	0.69	56,155	9,778	11,777
Total	**5.64**	**1.37**	**0.82**	**0.87**	**249,083**	**46,466**	**48,786**

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

Cut-off grade 0.5 gold eq. / gold eq = gold g/t + (copper % x 1.49) + (zinc x 0.46) + (silver x 0.01) + (lead x 0.37).
Amounts of contained metal have been rounded to the nearest hundred of ounces or tonnes.

Table 7 - Soviet mineral resources of the Vejnaly deposit

		Metal content		
	Units	***Category C1***	***Category C2***	***Total C1 and C2***
Ore	tonnes	181,032	168,372	**349,404**
Gold	kilograms	2,148.5	2,264.2	**4,412.7**
Silver	kilograms	6,108.9	4,645.2	**10,754.1**
Copper	tonnes	1,593.6	1,348.8	**2,942.4**

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

Table 8 – Soviet copper resources for the Garadag deposit

Copper content				
Category		**C1**	**C2**	**Total C1 and C2**
Ore	Millions of tonnes	25.35	23.69	49.04
Copper	Thousands of tonnes	168.0	150.7	318.7
Grade	Per cent.	0.65	0.64	0.64

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

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 geological structures. Gedabek is the location of the Group's Gedabek open pit mine, the Gadir and Gedabek underground mines and the Company's processing facilities. The new Zafar and Gilar underground mines are both being developed at Gedabek.

Gold production at Gedabek commenced in September 2009. Ore was initially mined from an open pit, with underground mining commencing in 2015 when the Gadir mine was opened. In 2020, underground mining commenced beneath the main open pit (the “Gedabek underground mine”). The Gedabek and Gadir underground mines have now been connected to form one continuous underground system of tunnels.

Initial gold production was by heap leaching, with copper production beginning in 2010 when the Sulphidisation, Acidification, Recycling and Thickening (“SART”) plant was commissioned. The Group's agitation leaching plant commenced production in 2013 and its flotation plant in 2015. From the start of production to 30 June 2023, approximately 802 thousand ounces of gold and 21 thousand tonnes of copper have been produced at Gedabek.

Gedabek open pit and Gedabek and Gadir underground mines

The principal mining operation at the Gedabek is conventional open-cast mining using trucks and shovels from the Gedabek open pit (which comprises several contiguous smaller open pits). Ore is also mined from the Gadir and Gedabek underground mines. These two underground mines are connected, and form one continuous underground network of tunnels, accessible from both the Gadir and Gedabek portals. However, a significant fault structure separates the two mines. Table 9 shows all the ore mined by the Group in the year ended 31 December 2022 and six months ended 30 June 2023.

Table 9 – Ore mined at Gedabek for the year ended 31 December 2022 and 6 months ended 30 June 2023

	12 months to 31 December 2022		3 months to 31 March 2023		3 months to 30 June 2023	
Mine	**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	1,705,337	0.47	415,365	0.43	591,118	0.30
Gadir – u/g	136,715	1.41	38,867	1.64	46,334	1.54
Gedabek – u/g	373,915	1.30	-	-	-	-
Total	**2,215,967**	**0.67**	**454,232**	**0.53**	**637,452**	**0.39**

Zafar mine development

The Zafar deposit was discovered in 2021 and is located 1.5 kilometres north-west of the existing Gedabek processing plant. Its final mineral resource estimate was published in March 2022 and is set out in Table 5 – "Zafar mineral resources estimate at 30 November 2021".

A mining scoping study for the Zafar mine was completed in February 2023 and development commenced. Two declines are under construction to access the mineralisation, a haulage decline and a parallel ventilation decline. The two portals for the declines have been constructed close to the existing Gedabek processing facilities and about 1,000 metres from the mineralisation. Five metres of haulage tunnel and 6.6 metres of ventilation tunnel were completed in H1 2023.

Mining will be by sub-level caving supplemented by sub-level open stoping. The significant underground machinery has been contracted for with drilling equipment manufactured by Epiroc and the mining and loading equipment manufactured by Caterpillar.

Gilar mine development

Gilar is a mineral occurrence located approximately seven kilometres from the Company's processing facilities and close to the northern boundary of the Gedabek Contract Area. The Group commenced developing the Gilar underground mine in late 2022 following exceptional drilling results in the south of the area.

The latest non-JORC mineral resources estimate for Gilar was published in March 2023. The mineral resources estimate (which is not a JORC resource) was compiled by an independent consultant and based on stage one drilling. The mineral resources were estimated using the JORC guidelines, but because the mineral resource estimate is subject to validation, classes 1, 2 and 3 are stated, instead of the usual Measured, Indicated and Inferred classifications. The mineral resources estimate is set out in Table 6 – "Latest Non-JORC mineral resources estimate of the Gilar deposit".

A portal has been constructed and a tunnel is under construction suitable for both exploration and production. A ventilation tunnel is also under construction. Total development at 30 June 2023 of the production tunnel and the ventilation tunnel was 501 metres and 114 metres respectively. The majority of the walls of the decline are supported by steel arches and shotcrete due to the soft rock. Extensive geological exploration was carried out at Gilar in H1 2023.

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. Initial processing is to leach (i.e. dissolve) the precious metal (and some copper) in a cyanide solution. This is done by various methods:

1 ***Heap leaching of crushed ore.*** Crushed ore is heaped into permeable "pads" onto which is sprayed a solution of cyanide. The solution dissolves the metals as it percolates through the ore by gravity and it is then collected by the impervious base under the pad.

2 ***Heap leaching of run of mine ("ROM") ore.*** The process is similar to heap leaching for crushed ore, except the ore is not crushed, instead it is heaped into pads as received from the mine (ROM) without further treatment or crushing. This process is used for very low-grade ores.

3 ***Agitation leaching***. Ore is crushed and then milled in a grinding circuit. The finely ground ore is placed in stirred (agitation) tanks containing cyanide solution and the contained metal is dissolved in the solution. Any coarse, free gold is separated using a centrifugal-type Knelson concentrator.

Slurries produced by the above processes with dissolved metal in solution are then transferred to a resin-in-pulp (“RIP”) plant. This plant selectively absorbs then de-absorbs the gold and silver. The gold and silver dissolved in the solution which is produced are recovered by electrolysis and are then smelted to produce the doré metal, comprising an alloy of gold and silver.

Copper and precious metal concentrates are produced by two processes, SART processing and flotation.

1 ***Sulphidisation, Acidification, Recycling and Thickening (“SART”)***. The cyanide solution after gold absorption by resin-in-pulp processing is transferred to the SART plant. The pH of the solution is then changed by the addition of reagents which precipitates the copper and any remaining silver from the solution. The process also recovers cyanide from the solution, which is recycled back to leaching.

2 ***Flotation.*** Finely ground ore is mixed with water to produce a slurry called “pulp” and reagents are then added. This pulp is processed in flotation cells (tanks), where the pulp is stirred and air introduced as small bubbles. The sulphide mineral particles attach to the air bubbles and float to the surface where they form a froth which is collected. This froth is dewatered to form a mineral concentrate containing copper, gold and silver.

During 2022, the Group contracted to purchase an additional seven cells for the flotation plant. These cells use "Imhoflot" pneumatic flotation technology, which require less energy and offers better recoveries than traditional stirred tank cells and flotation columns. A new thickener and filter press were also ordered. The new equipment, together with modifications to de-bottleneck the existing flotation plant, will double its capacity at a total cost of around $3.0 million. It will also enable the production of a zinc concentrate. The modifications to increase the capacity of the flotation plant have been completed. However, the installation of the new flotation line has been postponed until the first half of 2024 due the suspension of operations at Gedabek from the beginning of August 2023 .

Table 10 summarises the ore processed by leaching for the year ended 31 December 2022 and the six months to 30 June 2023:

Table 10 – Ore processed by leaching at Gedabek for the year ended 31 December 2022 and six months ended 30 June 2023:

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 2022	115,173	273,577	144,275	0.75	0.48	1.63
30 June 2022	82,814	299,762	162,239	0.78	0.53	1.49
30 September 2022	92,398	302,714	162,669	0.81	0.57	1.41
31 December 2022	24,606	213,120	156,285	0.72	0.56	1.52
FY 2022	**314,991**	**1,089,173**	**625,468**	**0.77**	**0.56**	**1.51**
31 March 2023	94,518	196,595	62,006	0.74	0.49	1.3
30 June 2023	56,522	203,016	105,213	0.75	0.46	1.4
H1 2023	151,040	399,611	167,219	0.75	0.49	1.4

**** includes previously heap leach ore***

Table 11 summarises ore processed by flotation for the year ended 31 December 2022 and six months ended 30 June 2023.

Table 11 – Ore processed by flotation for the year ended 31 December 2022 and six months ended 30 June 2023

Quarter ended	**Ore processed**	**Gold content**	**Silver content**	**Copper**

				content
	(tonnes)	(ounces)	(ounces)	(tonnes)
31 March 2022	104,475	1,921	33,522	577
30 June 2022	114,099	1,293	24,209	745
30 September 2022	143,838	1,314	24,582	724
31 December 2022	119,819	1,389	18,003	670
FY 2022	**482,231**	**5,917**	**100,316**	**2,716**
31 March 2023	192,516	1,487	19,787	1,133
30 June 2023	190,593	1,033	10,380	1,191
H1 2023	383,109	2,520	30,167	2,324

Previously heap leached ore

Gold production at Gedabek from 2009 to 2013 was by heap leaching crushed ore until the start-up of the agitation leaching plant in 2013. The heaps remain in-situ and given the high grade of ore processed prior to the commencement of agitation leaching, and the lower recovery rates, much of the previously heap leached ore contains significant amounts of gold. This is now being processed by agitation leaching. Table 12 shows the amount of previously heap leached ore processed in the year ended 31 December 2022 and the six months ended 30 June 2023.

Table 12 – Amount of previously heap leached ore processed in the year ended 31 December 2022 and six months ended 30 June 2023

	In-situ material (t)	Average gold grade (g/t)
1 January 2022	1,586,313	1.36
Processed in the year	(195,689)	1.18
31 December 2022	**1,390,624**	**1.39**
Processed in H1 2023	(27,815)	1.01
30 June 2023	**1,366,081**	**1.39**

Production and sales

For the 6 months ended 30 June 2023, gold production totalled 14,608 ounces, which was a decrease of 6,298 ounces in comparison to the production of 20,906 ounces for the 6 months ended 30 June 2022.

Table 13 summarises the gold and silver bullion produced from doré bars and sales of gold bullion for the year ended 31 December 2022 and 6 months ended 30 June 2023.

Table 13 – Gold and silver bullion produced from doré bars and sales of gold bullion for the year ended 31 December 2022 and 6 months ended 30 June 2023

Quarter ended	Gold produced* (ounces)	Silver produced* (ounces)	Gold sales** (ounces)	Gold Sales price ($/ounce)
31 March 2022	8,963	7,574	7,519	1,904
30 June 2022	10,137	7,620	3,754	1,895
30 September 2022	10,473	6,949	10,000	1,727
31 December 2022	10,437	4,820	13,645	1,727
FY 2022	**40,010**	**26,963**	**34,918**	**1,783**
31 March 2023	5,965	2,841	5,719	1,895
30 June 2023	7,375	3,593	4,787	1,992
H1 2023	**13,340**	**6,434**	**10,506**	**1,939**

Note

**** including Government of Azerbaijan's share***
***** excluding Government of Azerbaijan's share***

Table 14 summarises the total copper, gold and silver produced as concentrate by both SART and flotation processing for the year ended 31 December 2022 and 6 months ended 30 June 2023.

Table 14 – Total copper, gold and silver produced as concentrate by both SART and flotation processing for the year ended 31 December 2022 and 6 months ended 30 June 2023

	Concentrate production* (dmt)	Copper content* (tonnes)	Gold content* (ounces)	Silver content* (ounces)
2022				
Quarter ended 31 March				
SART processing	330	188	12	25,114
Flotation	2,586	380	1,065	17,986

Total	**2,916**	**568**	**1,077**	**43,100**
Quarter ended 30 June				
SART processing	316	168	14	25,582
Flotation	3,811	547	715	15,672
Total	**4,127**	**715**	**729**	**41,254**
Quarter ended 30 September				
SART processing	367	208	33	24,077
Flotation	2,805	401	581	14,094
Total	**3,172**	**609**	**614**	**38,171**
Quarter ended 31 December				
SART processing	438	244	39	20,833
Flotation	2,648	380	645	11,725
Total	**3,086**	**624**	**684**	**32,558**
2023				
Quarter ended 31 March				
SART processing	364	190	25	8,750
Flotation	4,544	657	751	10,975
Total	**4,908**	**847**	**776**	**19,725**
Quarter ended 30 June				
SART processing	272	146	16	10,348
Flotation	5,613	867	476	8,069
Total	**5,885**	**1,013**	**492**	**18,417**

Note

**** including Government of Azerbaijan's share.***

Table 15 summarises the total gold and silver production from agitation and heap leaching for the year ended 31 December 2022 and 6 months ended 30 June 2023.

Table 15 – Total gold and silver production from agitation and heap leaching for the year ended 31 December 2022 and six months ended 30 June 2023

	Gold			**Silver**		
Quarter ended	***Agitation leaching (ounces)***	***Heap leaching (ounces)***	***Total (ounces)***	***Agitation leaching (ounces)***	***Heap leaching (ounces)***	***Total (ounces)***
31 March 2022	5,674	3,289	8,963	4,803	2,771	7,574
30 June 2022	6,196	3,941	10,137	4,654	2,966	7,620
30 Sept 2022	5,517	4,956	10,473	3,673	3,276	6,949
31 Dec 2022	5,831	4,606	10,437	2,684	2,136	4,820
FY 2022	**23,218**	**16,792**	**40,010**	**15,814**	**11,139**	**26,963**
31 March 2023	2,105	3,860	5,965	1,077	1,764	2,841
30 June 2023	3,463	3,912	7,375	1,735	1,858	3,593

H1 2023	5,568	7,772	13,340	2,812	3,622	6,434

Table 16 summarises the total copper concentrate (including gold and silver) production and sales from both SART and flotation processing for the year ended 31 December 2022 and 6 months ended 30 June 2023.

Table 16 – Total copper concentrate (including gold and silver) production and sales from both SART and flotation processing for the year ended 31 December 2022 and six months ended 30 June 2023

Quarter ended	Concentrate production* (dmt)	Copper content* (tonnes)	Gold content* (ounces)	Silver content* (ounces)	Concentrate sales** (dmt)	Concentrate sales**† ($000)
31 March 2022	2,916	568	1,077	43,100	1,477	3,248
30 June 2022	4,127	715	729	41,254	4,642	8,127
30 September 2022	3,172	609	614	38,171	1,718	3,378
31 December 2022	3,086	624	684	32,558	4,606	7,487
FY 2022	**13,301**	**2,516**	**3,104**	**155,083**	**12,443**	**22,240**
31 March 2023	4,908	847	776	19,725	1,147	2,743
30 June 2023	5,885	1,013	492	18,417	5,501	7,678
H1 2023	**10,793**	**1,860**	**1,268**	**38,142**	**6,648**	**10,421**

** including Government of Azerbaijan's share*

*** excludes Government of Azerbaijan's share*

† these are the invoiced sales of the Group's share of production before any accounting adjustments in respect of IFRS 15. The totals given above do not therefore agree to amounts disclosed as revenue in these interim financial statements

Infrastructure

The Gedabek Contract Area benefits from excellent infrastructure and access. The site is located at the town of Gedabek, which is connected by good metalled roads to the regional capital of Ganja. Baku, the capital of Azerbaijan, is to the south and the country's border with Georgia to the north, are each approximately a four to five hour drive over good quality roads. The site is connected to the Azeri national power grid.

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 to the absolute minimum the consumption of fresh water required by the Company.

Tailings (waste) storage

Tailings are stored in a purpose-built dam approximately seven kilometres from the Group's 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 being discharged safely into the nearby Shamkir river. The current tailings dam has the capacity for approximately three months of production once production restarts.

Knight Piésold, a leading firm of geotechnical and consulting engineers, has determined that the wall of the existing tailings dam has a maximum height of 90 metres. This means the current wall can be raised by approximately an average of 7.5 metres to give enough capacity for production for the next two to three years. The Company is proposing to do this wall raise in two stages of 2.5 metres followed by 5.0 metres. It is anticipated that it will take approximately four months to raise the wall by 2.5 metres. The Company has applied for permission from the Government to carry out the raise.

A site has been identified for a new tailings dam in the close vicinity of the existing dam and permission for land use has been obtained. However, following protests against its proposed location by local communities, the suitability of the site is being reevaluated in conjunction with the Government of Azerbaijan. Alternative sites for the location of a second tailings dam will also be considered.

The construction of an auxiliary tailings dam close to the Zafar mine commenced in 2022. However, following a reevaluation of the site, it was decided not to complete its construction. The storage space already constructed at the location will be used for alternative purposes.

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 regarded as under explored. Gosha is the location of a high grade, underground gold mine. Ore mined at Gosha is transported by road to Gedabek for processing. No mining was carried out in the Gosha mine in the six months ended 30 June 2023.

Geological fieldwork has resulted in the recent discovery of additional mineralisation adjacent to the existing underground mine. This includes “Hasan”, a new sub-vertical high gold grade mineralised vein, immediately south of the existing Gosha mine. Hasan can be accessed via a short tunnel from the existing tunnelling at Gosha. A further vein close to Hasan called “Akir” is also showing promising mineralisation.

The Company is also carrying out geological fieldwork at Asrikchay, a copper and gold target situated within the Gosha Contract area. Asrikchay is located in the northeast corner of the Gosha Contract Area, about 7 kilometres from the Gosha mine, within the Asrikchay valley.

Xarxar

The 464 square kilometre Contract Area is located immediately north of Gedabek which it borders. Xarxar is a known area of mineralisation which was explored in the Soviet era. Xarxar hosts a portal and exploration tunnel constructed in Soviet times. However, the tunnel has collapsed near its entrance.

Geological exploration began at Xarxar immediately following its acquisition in July 2022. A new portal was constructed next to the Soviet portal. Tunnelling then commenced parallel to the existing tunnel. A surface drill programme was also started. The Group also acquired historical geological and other data in respect of Xarxar owned by AzerGold CJSC for $0.7 million. This included 805 assays taken from 4,923 metres of Xarxar drill core.

Gilar is situated close to the northern boundary of the Gedabek Contract Area. Geological exploration indicates that this deposit trends to the north. The Xarxar Contract Area extends the Gedabek Contract Area to the north and will therefore enable Gilar to be fully exploited.

Garadag

The 344 square kilometre Garadag Contract Area is situated four kilometres north of Gedabek alongside the road from Gedabek to Shamkir. Garadag was explored during the Soviet era and a Soviet resource for the deposit dated 1 January 1992 is set out in Table 8 – “Soviet copper resource for the Garadag deposit”. This mineral resource contained over 318,000 tonnes of copper under the Soviet standard of resource classification. Garadag has been extensively explored since the end of the Soviet era, most recently by AzerGold CJSC, its previous owner.

In August 2022, the Group acquired historical geological and other data and associated reports (the “Data”) in respect of Garadag owned by AzerGold CJSC for $3.3 million. The Data includes geochemical and geophysical data including maps and interpretative reports. Substantial core drilling and data interpretation were carried out by Azergold CJSC and the Data includes 9,645 chemical assays taken from 23,454 metres of drill core. The Data also includes an initial mining scoping study based on a preliminary mineral resource estimate with various options for mine development including open pit designs, initial mining schedules and an outline metallurgical flow sheet. An environmental and socio-economic baseline assessment has also been carried and is included in the Data. Since acquisition, the Group has started an extensive exercise to index, analyse, interpret and verify the Data.

Vejnaly

Vejnaly is a 300 square kilometre Contract Area located in the Zangilan district in south-west Azerbaijan. It borders Iran to the south and Armenia to the west and hosts the Vejnaly deposit. Access to the Contract Area was obtained in 2021 following the resolution of the conflict between Azerbaijan and Armenia.

A camp is now established at Vejnaly for Group employees. A thorough survey of the site has been carried out which has found that the main ore body was extensively mined during the Armenian occupation. There are both open pit and underground workings at the location. There is also an existing crusher and flotation processing plant at the mine which will need extensive renovation to recommence operation. There was no mining or production at Vejnaly in H1 2023.

Approximately 35 full-time employees are based at the site, who are mainly geologists exploring in the vicinity of the existing mine. During H1 2023, development of a ventilation tunnel commenced with 22 metres completed. Minor amounts of ore are being extracted from the underground mine as the geologists clean out and rehabilitate the tunnels as part of their exploration. This ore will be transported to Gedabek for processing.

Subsequent to the end of the Period, staff were removed from Vejnay on the instructions of the Government of Azerbaijan, following the discovery of a landmine. The Government of Azerbaijan recommenced de-mining activities to ensure the site was clear of landmines.

Ordubad

The 462 square kilometre Ordubad Contract Area is located in Nakhchivan, south-west Azerbaijan, and contains numerous targets. The Company carried out very limited geological fieldwork in 2021 and 2022, as access was restricted due to the COVID-19 pandemic. However, drilling resumed in H1 2023 targeting copper porphyry potential.

Kyzlbulag and Demirli

The Kyzlbulag Contract Area is 462 square kilometres located in the Karabakh economic region. It contains several mines and has excellent potential for exploration, as indicated by the presence of many mineral deposits and known targets in the region. The Demirli concession is 74 square kilometres and extends to the north-east by about 10 kilometres from the Kyzlbulag Contract Area and contains the Demirli mining property. There are indications that up to 35,000 ounces of gold per year were extracted from the Kyzlbulag copper-gold mine, before the mine was closed several years ago, indicating the presence of a gold mineralising system.

The situation in Karabakh is currently uncertain given the very recent events when the Government of Azerbaijan (the “Government”) moved to take full control of the region. The Government will use all reasonable endeavours to ensure that the Company has physical access to the region to undertake mineral exploration and production. No work was carried out at Kyzlbulag and Demirli in the six months to 30 June 2023 as the Group had no access to the Contract Areas.

Geological exploration

Summary

- Mineralisation extended at Gilar
    - 21 surface core drill holes completed with a total length of 8,650 metres
    - Preliminary mineral resources estimate (non-JORC) published containing over 249,000 ounces of gold, 46,000 tonnes of copper and 48,000 tonnes of zinc
- Significant copper identified at Xarxar
    - 23 surface core drill holes completed with a total length of 10,246 metres
    - 6 underground core drill holes completed with a total length of 1,149 metres
    - Initial geological block model and open pit optimisation study completed

        - Base case using $8,000 per tonne copper price showed over 93,000 tonnes of economically extractable copper
- Over 300,000 tonnes of copper identified at Garadag
    - Comprehensive assessment of historical geological data continued
    - Initial non-JORC assessment showed potential of deposit to produce over 300,000 tonnes of copper
- Drilling recommenced at Ordubad
    - One drill rig now in operation on the flank of the Kalaky mineral occurrence
    - 5 core drill holes were completed for a total length of 2,684 metres
- Surface core and reverse circulation drilling continued to define the Gedabek open pit ore zone
    - Two surface core drill holes completed with a total length of 267 metres
    - 14 reverse circulation drill holes completed with a total length of 1,230 metres
    - Additional resource of approximately two million tonnes defined

Gedabek

Gedabek open pit

Two surface core drill holes were completed with a total length of 267 metres and 14 reverse circulation drill holes completed with a total length of 1,230 metres to further define the ore zone. The drilling was mostly located in Pits 9, 10 and 11. Based on the reverse circulation drilling, a new mineral resource of about two million tonnes was defined as a northernly continuation of pits 10 and 11. This will be further explored.

Gedabek open pit - underground

82 metres of underground development below pit 4 was completed. No underground drilling was carried out.

Gadir underground mine

28 metres of exploration tunnelling was completed. No underground drilling was carried out.

Zafar deposit

The geology of the area is structurally complex, comprising mainly of Upper Bajocian-aged volcanics. The mineralisation seems to be associated with a main north-west to south-east trending structure, which is interpreted as post-dating smaller north-east to south-west structures. In the south-west area, outcrops with tourmaline have been mapped, which can be indicative of the potential for porphyry-style mineral formation.

There was no geological exploration carried out in H1 2023.

Gilar

The area hosts two styles of mineralisation, gold in quartz veins and hydrothermal gold-copper. Three mineralisation bodies have been discovered at the occurrence.

Extensive geological exploration was carried out at Gilar in H1 2023. This significantly extended the mineralisation. 21 surface core drill holes were completed with a total length of 8,560 metres. A magnetometry geophysical programme was completed and a surface Induction Polarisation (“IP”) survey continued throughout H1 2023. One significant drill hole in H1 2023 with an intercept of over 50 metres is as follows:

Borehole 22GLDD133: 51.00m @ 1.9g/t gold, 1.4% copper and 0.5% zinc from 333.00m, including:

- **34.50m @ 2.6g/t Au, 2.0% Cu and 0.7% zinc at 1.0g/t gold cut-off from 342.50m, including at a 2.0 g/t Au cut-off**
  - **6.80m @ 4.0g/t Au, 6.3% Cu and 3.2% zinc from 345.50m**

Gosha

The Gosha mine was previously thought to consist of two narrow gold veins, zone 13 and zone 5 to the south. Mining has previously taken place from both veins. However, the recent discovery, Hasan, is located immediately south of the zone 5 and intersects it at one point. The host rock mostly exhibits silicification and kaolinisation alteration, which changes to quartz-haematite alteration in andesite.

Four underground core drill holes totalling 551 metres were drilled in the Gosha mine in H1 2023. A detailed underground sampling programme was also completed in the “Akir” high gold grade zone. 37 metres of channel samples were taken from “vein 3” from underground which shows high gold grades.

The Company also carried out surface magnetometry geophysical exploration work at Asrikchay in H1 2023. A second stage magnetometry programme was completed and a data interpretation will be received from Reid Geophysics Limited.

Xarxar

Tunnelling from the new portal continued during the Period. 23 surface core drill holes were completed for a total length of 10,245 metres. These drill holes targeted the central copper mineralisation zone and intercepted significantly high and continuous grades of copper. These drill holes defined high and low grade zones within the copper mineralisation zone. Six underground core drill holes were completed for a total length of 1,149 metres.

Analysis of the historical geological data acquired in 2022 continued throughout H1 2023. From these data, together with Company exploration data, an initial geological block model and open pit optimisation study were completed during H1 2023.

The initial geological block model shows that copper mineralisation exhibits encouraging continuity. Mineralisation modelling was carried out within a 0.1 per cent. copper shell and grade-tonnage estimates were made using various cut-off grades. The range of the contained amounts of copper, based on mineralisation above certain depths, is as follows:

Above level 1,200 metres			
Cut-off (Cu %)	***Mineralisation (tonnes)***	***Resultant (Cu %)***	***Metal (Cu tonnes)***
0.15	41,394,352	0.34	140,741
0.30	17,095,640	0.53	90,607
0.45	8,150,558	0.72	58,684

Above level 1,000 metres			
Cut-off (Cu %)	***Mineralisation (tonnes)***	***Resultant (Cu %)***	***Metal (Cu tonnes)***
0.15	64,915,146	0.32	207,728
0.30	23,428,520	0.51	119,485
0.45	10,212,706	0.71	72,510

The base case for the open pit optimisation used a copper price of $8,000. Copper metal prices within the range of $5,000 - $20,000 per tonne were used to test the sensitivity of the open pit to copper metal prices and mineral zone geometry. Two pit depths were used as a "minimum" and "maximum" elevation to establish the amount of mineralisation located beneath the various intervening pit floors. Significant mineralisation is located below the open pit floor in the base case. This will allow for the optimisation of the combined open pit and underground mining approach.

The results of the initial open pit optimisation study (***Base Case 'OP 3' using a copper price of $8,000)*** and sensitivities are shown in the following table:

OPTION (copper price/tonne)	*ORE (tonnes)*	*WASTE (tonnes)*	*STRIPPING RATIO*	*COPPER (tonnes)*	*COPPER (per cent.)*	*BOTTOM DEPTH (metres)*
OP1 - $5,000	7,362,221	21,685,157	2.9	51,513	0.70	150
OP2 - $7,500	17,334,016	29,376,561	1.7	85,573	0.49	190
Base Case OP3 - $8000	***20,116,723***	***31,982,108***	***1.6***	***93,408***	***0.46***	***205***
OP4 - $10,000	29,176,251	39,932,179	1.4	114,732	0.39	240
OP5 - $12,000	36,224,004	52,831,917	1.5	130,876	0.36	270
OP6 - $15,000	43,739,585	76,392,038	1.7	147,663	0.34	310
OP7 - $20,000	53,028,965	131,403,872	2.5	169,064	0.32	360

Garadag

No geological field work was carried out. However, assessment of the acquired historical geological data continued throughout H1 2023. Geological re-logging of six core drill holes was completed. This will assist in understanding the porphyry copper potential of the deposit. A photographic unit was established to photograph all 23,000 metres of drill core acquired along with the historic data.

A mineral resource estimation based on geostatistical techniques and three-dimensional modelling on data received from AzerGold CJSC was completed in H1 2023. This showed an "Indicated" plus "Inferred" mineral resource of over 66.3 million tonnes of ore at 0.49 per cent. copper, containing some 324,688 tonnes of copper, which further confirmed the copper potential of the Garadag deposit.

Vejnaly

The Vejnaly deposit is located within the volcanic-plutonic structure of the Kafan structure formation and incorporates twenty-five gold-bearing vein zones. Ore veins and zones of the deposit are mainly represented by quartz–sulphide and, rarely, by quartz–carbonate–sulphide veins and hydrothermally altered, disintegrated and brecciated rocks. Sulphides are dominated by pyrite with subordinate chalcopyrite. There are prospects for porphyry, epithermal and skarn type deposits.

A geological exploration team and fire assay laboratory has been established at Vejnaly. In H1 2023, underground sampling in Zone 2 and logging of historic drill holes continued. Some assays of historic core samples show high grade gold. Vein sampling assays of the deposits also show significant high-grade gold.

“World View 3” satellite image data for the entire Vejnaly Contract Area was obtained in H1` 2023. This is currently being analysed to identify potential exploration targets.

Ordubad

The COVID-19 restrictions, which have prevented access to Ordubad, were lifted during H1 2023 and the Company recommenced its drilling programme. During H1 2023, 5 core drill holes were completed for a total length of 2,684 metres on the flank of the Kalaky mineral occurrence targeting porphyry copper potential. The drill holes mainly intercepted weak altered intrusive rocks within a silica halo.

Based on our latest understanding of porphyry mineralisation, a reassessment of the Shakardara deposit commenced in H1 2023. 2,908 metres of previously drilled core were relogged and some intervals were resampled.

Dr. Robin N. Armstrong, mining sector leader of the Natural History Museum, London, visited Ordubad during H1 2023. During his visit, geological logging of the last phase of the core drill holes was carried out. Samples were also selected for a pathfinder geochemistry study which will assist in identifying possible copper porphyry mineral targets.

The Company is awaiting results from the samples collected by the geological team from the Natural History Museum London as part of their ongoing "From Arc Magmas to Ores" ("FAMOS") international research project. This study is being carried out to determine whether there are any indications of a porphyry system within the Ordubad Contract Area.

The results of this investigation have unfortunately been delayed by the COVID-19 pandemic.

Sale of the Group's products

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

In H1 2023, the Group shipped all its gold doré to Switzerland for refining by either MKS Finance SA or Argor-Heraeus SA. The Group continually reviews which refiner offers the best commercial terms, and based on this, 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 Gedabek mine site has good road transportation links and 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 condensed 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.

Libero Copper & Gold Corporation

Libero is a minerals exploration company listed on the Toronto TSX Venture Exchange (ticker LBC). Anglo Asian owned approximately 20 per cent. of Libero throughout H1 2023. Michael Sununu was a board member of Libero throughout H1 2023 and Farhang Hedjazi served as the Company's representative on Libero's technical committee.

Libero has an extremely attractive portfolio of exploration assets in mining-friendly jurisdictions in North and South America, including Mocoa in Colombia, Big Bulk and Big Red in British Columbia, Canada, and Esperanza in Argentina.

In January 2023 Libero announced the results of its 2022 summer drill programme at its Terry porphyry copper and gold project. One drill hole returned 0.24 per cent. copper and 0.03 grammes per tonne of gold. The drill hole successfully intersected the extension of the

Terry porphyry mineralisation.

No drilling was carried out at Mocoa in H1 2023 as Libero is awaiting permits to drill. However, the new San Jose access to the Mocoa project was completed. This access is 2.1 kilometres in length and is for the transport of drills and ancillary supplies. It eliminates expensive helicopter support for drilling activities. Libero also collaborated with national universities and communities on a Colombian Government initiative called the "Green Route". This initiative is to develop an in-country copper supply chain which is sustainable. Libero also participated in the first ever Colombia Green Energy Summit.

At Ezperanza, Libero continued the required consultations to finalise the permitting process and advance the project.

Further information can be found at https://www.liberocopper.com/.

Principal risks and uncertainties

Country risk in Azerbaijan

The Group's wholly-owned operations are solely in Azerbaijan and are therefore at risk of adverse changes to the regulatory or fiscal regime within the country. However, Azerbaijan is outward looking and desirous of attracting direct foreign investment and the Company believes the country will be sensitive to the adverse effect of any proposed changes in the future. In addition, Azerbaijan has historically had a stable operating environment and the Company maintains very close links with all relevant authorities.

Operational risk

The Company currently produces all its products for sale at Gedabek. Planned production may not be achieved as a result of unforeseen operational problems, machinery malfunction or other disruptions. Operating costs and profits for commercial production therefore remain subject to variation. The Group monitors its production daily, and has robust procedures in place to effectively manage these risks.

Commodity price risk

The Group's revenues are exposed to fluctuations in the price of gold, silver and copper and all fluctuations have a direct impact on the operating profit and cash flow of the Group. Whilst the Group has no control over the selling price of its commodities, it has very robust cost controls to minimise expenditure to ensure it can withstand any prolonged period of commodity price weakness. The Group actively monitors all changes in commodity prices to understand the impact on its business. The directors keep under review the potential benefit of hedging which it carries out from time to time.

Foreign currency risk

The Group reports in United States Dollars and a large proportion of its costs are incurred in United States Dollars. It also conducts business in Australian Dollars, Azerbaijan Manats and United Kingdom Sterling. The Group does not currently hedge its exposure to other currencies, although it continues to review this periodically.

Liquidity and interest rate risk

During H1 2023, the Group had only occasional minor bank borrowings and borrowings in connection with providing letters of credit to suppliers. The Group did therefore not have any significant interest rate risk during the year.

The Group had surplus cash deposits during H1 2023. The Group places these on deposit in United States dollars with a range of banks to both ensure it obtains the best return on these deposits and to minimise counterparty risk. The amount of interest received on these deposits is not material to the financial results of the Company and therefore any decrease in interest rates would not have any adverse effect.

Russian invasion of Ukraine

The Company is unaffected directly by the Russian invasion of Ukraine or the international sanctions levied against various private and governmental Russian entities. However, the Company is subject to global the macro-economic conditions resulting from the Russian invasion such as higher input costs.

Key performance indicators

The Group has adopted certain key performance indicators ("KPIs") which enable it to measure its financial performance. These KPIs are as follows:

1 **Profit before taxation**. This is the key performance indicator used by the Group. It gives insight into cost management, production growth and performance efficiency.

2 **Net cash provided by operating activities.** This is a complementary measure to profit before taxation and demonstrates conversion of underlying earnings into cash. It provides additional insight into how we are managing costs and increasing efficiency and productivity across the business in order to deliver increasing returns.

3 **Free cash flow ("FCF").** FCF is calculated as net cash from operating activities, less expenditure on property, plant and equipment and mine development, and Investment in exploration and evaluation assets including other intangible assets.

4 **All-in sustaining cost ("AISC") per ounce**. 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.

Reza Vaziri

President and chief executive

25 September 2023

Financial Review

Group statement of income

The Group generated revenues in the six months ended 30 June 2023 ("H1 2023") of $30.8 million ("m") (H1 2022: $31.5m) from the sales of gold and silver bullion and copper and precious metal concentrate.

The revenues in H1 2023 included $20.4m (H1 2022: $21.7m) generated from the sales of gold and silver bullion from the Group's share of the production of gold doré bars. Bullion sales in H1 2023 were 10,506 ounces of gold and 5,480 ounces of silver (H1 2022: 11,273 ounces of gold and 11,169 ounces of silver) at an average price of gold of $1,939 per ounce and an average price of silver of $23 per ounce (H1 2022: $1,901 per ounce and $24 per ounce respectively). In addition, the Group generated revenue in H1 2023 of $10.4m (H1 2022: $9.8m) from the sale of 6,648 dry metric tonnes (H1 2022: 6,119 dry metric tonnes) of copper and precious metal concentrate.

A gold sales hedging programme was established in H1 2023. Monthly forward sales of gold bullion were made equivalent to approximately 25 to 30 per cent. of the Group's share of budgeted gold bullion production for the months of June to December 2023. The contracts mature at the end of each respective month and a total of 4,600 ounces of gold bullion was forward sold. The forward sales were made at prices between $1,949.75 to $1,979.25 per ounce of gold. The spot price of gold at the time of contracting the forward sales was $1,947.50. 1,000 ounces of gold were sold on 30 June 2023 under the hedge programme for $1,947.50 per ounce when the LBMA PM gold price was $1,912.25.

The Group incurred cost of sales in H1 2023 of $25.2m (H1 2022: $20.4m) as follows:

	H1 2023 ($m)	**H1 2022 ($m)**	**B/(W)* ($m)**
Cash cost of sales**	**26.3**	27.4	1.1
Depreciation and amortisation	**6.0**	6.4	0.4
Cash costs, depreciation and amortisation	**32.3**	33.8	1.5
Capitalised costs	**(1.8)**	(1.2)	0.6
Cost of sales before inventory movement and leases	**30.5**	32.6	2.1
Lease adjustments	**0.1**	-	(0.1)
Inventory movement	**(5.4)**	(12.2)	(6.8)
Cost of sales per the Group statement of income	**25.2**	20.4	(4.8)

**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 lower cash costs of sales in H1 2023 compared to H1 2022 were largely due to lower reagent costs partially offset by higher consumable costs. Reagent costs decreased by $1.3m due to lower cyanide costs due to less cyanide leaching carried out in H1 2023. Materials and consumables increased by a total of $0.6m due to increased production by flotation in H1 2023.

Depreciation decreased by $0.4m from $6.4m in H1 2022 to $6.0m in H1 2023 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 or by the straight line method. The unit of account for run of mine ("ROM") costs and for post-ROM costs are recoverable ounces of gold.

The $5.4m inventory movement arose due to increased gold doré and copper concentrate stocks at 30 June 2023 compared to 30 December 2022 as discussed in 'Group statement of financial position'.

Administrative expenses in H1 2023 were $3.2m compared to $3.1m in H1 2022. The Group's administrative 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 2023 were $0.7m (H1 2022: $0.4m) and comprise interest on bank debt and letters of credit, interest on lease liabilities and interest accretion expense on the rehabilitation provision. The finance costs were mainly higher due to higher interest accretion expense on the rehabilitation provision due to higher US dollar interest rates.

Other expense in H1 2023 was $nil (H1 2022: $710,000). The expense in H1 2022 included the decrease in the value of Libero Copper & Gold Corporation ("Libero") shares between 1 January to 26 January (the date it became an associate company) of $221,000, a loss on the revaluation of share options in Libero of $304,000 and expensing the forward contract of $214,000 established in respect of the January 2022 Libero share acquisition.

The Group had a taxation charge in H1 2023 of $0.6m (H1 2022: $2.2m). This comprised a current income tax charge of $nil (H1 2022: $nil) and a deferred tax charge of $0.6m (H1 2022: $2.2m). R.V. Investment Group Services ("RVIG") in Azerbaijan incurred a taxable loss of $8.3m in H1 2023 (2022: $9.4m) and these losses will be carried forward and offset against future taxable profits. RVIG has no other taxable losses available for offset against future profits.

The Group had an Other comprehensive profit in H1 2023 of $126,000 (H1 2022: loss of $34,000). This was a translation gain on the translation of Libero's financial statements into United States dollars at 30 June 2023. This arose as the Canadian dollar strengthened against the United States dollar in H1 2023 as discussed in 'Libero Copper & Gold Corporation'.

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 of $1,357 in H1 2023 compared to $983 in H1 2022. 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's cost of production was broadly flat in H1 2023 compared to H1 2022 as many of the costs are fixed or semi-fixed. However, the AISC cost per ounce increased due to the significantly lower gold production in the Period.

Group statement of financial position

Non-current assets increased from $102.2m at 31 December 2022 to $106.6m at 30 June 2023. Intangible assets increased from $38.6m at 31 December 2022 to $42.5m at 30 June 2023 due to expenditure on geological exploration and evaluation of $4.3m partially offset by amortisation of $0.4m mainly in respect of mining rights. Property, plant and equipment (including leased assets) were lower by $0.1m due to additions to fixed and leased assets offset by depreciation in the period. The rehabilitation provision also decreased.

Net current assets were $57.6m at 30 June 2023 compared to $60.5m at 31 December 2022. The main reason for the decrease was a decrease of cash of $10.6m partially offset by an increase in inventories of $8.3m. Inventories increased by $8.3 due to an increase in stock of finished goods of $6.2m and spare parts and consumables of $3.0m. There were 2,553 ounces of unsold gold and 3,332 tonnes of unsold concentrate at 30 June 2023 compared to 1,448 ounces of unsold gold and 583 tonnes of unsold concentrate respectively at 31 December 2022. These were offset by a decrease of metal in circuit of $1.4m. Trade and other receivables (excluding the amount owed to the Government of Azerbaijan) increased by $1.5m. The Group's cash balances at 30 June 2023 were $9.6m (31 December 2022: $20.4m). Surplus cash is mostly maintained in US dollars which is placed on deposit with banks at interest rates of around 4 per cent.

Shareholders' equity of the Group at 30 June 2023 was $114.5m (31 December 2022: $113.5m). The increase was primarily due to the profit retained in the Period of $0.8m and share based payment expense credited to reserves of $0.1m. There were no shares issued or bought back in H1 2023.

The Group was financed only by equity at 31 December 2022 and 30 June 2023 as there was no bank debt outstanding. The Group did have an insignificant amount of very short-term bank borrowing in H1 2023 which was all repaid by 30 June 2023.

Libero Copper & Gold Corporation

Libero Copper and Gold Corporation ("Libero") remained an associate company of the Group throughout H1 2023. The Group made two further investments in Libero in H1 2023 as follows:

- 6 January 2023: 2.6 million shares at CAD 15 cents per share for a total of $294,000
- 19 February 2023: 3.2 million shares at CAD 15 cents per share for a total of $362,000

Libero's loss after taxation in H1 2023 was CAD$3.6m and the Group's share of this loss was $213,000. The Group also included a foreign exchange gain on revaluation of its investment in Libero of $126,000 as the Canadian dollar strengthened from $1 equalled CAD$1.3544 at 1 January 2023 to $1 equalled CAD$1.3255 at 30 June 2023.

A reconciliation of the carrying cost of Libero to its net assets at 30 June 2023 is as follows:

Company's share of the net assets of Libero	1,819
Goodwill	3,912
Carrying value of Libero at 30 June 2023	***5,731***

Group statement of cash flow

Operating cash inflow before movements in working capital for H1 2023 was $8.6m (H1 2022: $14.6m).

Working capital movements in H1 2023 absorbed cash of $8.0m (H1 2022: $17.2m) mainly due to an increase in inventories of $8.3m (H1 2022: $12.1m). The increase in inventories was due to an increase of unsold gold bullion and copper concentrate as described in 'Group statement of financial position'.

There was a cash inflow from operating activities in H1 2023 of $0.6m compared to a cash outflow in H1 2022 of $6.0m. The cash inflow resulted from less cash absorbed by working capital and lower income tax paid of $nil (H1 2022: $3.7m)

The Group paid corporation tax in H1 2023 of $nil (H1 2022: $3.4m) in Azerbaijan as RVIG was incurring taxable losses.

Expenditure on property, plant and equipment in H1 2023 was $6.6m (H1 2022: $4.8m). The main items of expenditure in H1 2023 were deferred stripping costs of $1.3m, mine development costs $3.1m, miscellaneous plant and equipment of $0.6m and tailing dam development of $0.6m.

Exploration and evaluation expenditure incurred and capitalised in H1 2023 was $3.8m (H1 2022: $2.4m). This arose on exploration and evaluation of all the Group's contract areas.

Dividends

The Group paid an interim and final dividend in respect of the year ended 31 December 2022 totalling $0.08 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. No interim dividend was declared in respect of the year ending 31 December 2023.

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 and unrecovered costs are calculated separately for each contract area and costs incurred at one contract area cannot be offset against production at another. Unrecovered costs can only be recovered against future production from their respective contract area.

Profit Production for the Gedabek Contract Area has been subject to the minimum 25 per cent. since commencement of production including both the year to 31 December 2022 and the 6 months to 30 June 2023. The Government's share of production in the six months to 30 June 2023 (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 from the Gedabek Contract Area in the six months to 30 June 2023 of 12.75 per cent. (six months to 30 June 2022: 12.75 per cent.) of the value of its production.

The Group produced gold and copper for the first time in 2021 from its Vejnaly Contract Area and part of the metal produced was sold in H1 2023. The Government's share of this production was 32.0 per cent. This is because the mine and other facilities were acquired at no cost and the only costs available to offset the production were the administration costs of the site, minor refurbishment capital expenditure, the cost of geological exploration and Gedabek processing costs. Mining costs were not available for offset as the metal was produced from ore stockpiled at Vejnaly by the previous owner. The revenues from the Vejnaly Contract Area in H1 2023 were not material to the Group’s revnues.

The Group can recover the following costs in accordance with the PSA for each Contract Area as follows:

- all direct operating expenses of the mine;
- all exploration expenses;
- all capital expenditure incurred on the 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.

The total unrecovered costs for the Gedabek, Gosha and Vejnaly contract areas at 30 June 2023 were $47.6m, $33.0m and $1.4m respectively (31 December 2022: $29.7m, $19.7m and $0.8 respectively).

The unrecovered costs at 30 June 2023 for the Garadag and Xarxar contract areas were $1.0m and $2.9m respectively (31 December 2022: $0.9m and $1.0m respectively). The unrecovered costs include cash payments for historical geological data of $0.8m and $0.2m in respect of Garadag and Xarxar 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 2023. The Company's revenues and its debt facility are also denominated in US dollars. The Company does not currently have any significant exposure to foreign exchange fluctuations and the situation is kept under review.

Going concern
Main business of the Group

The Group produces primarily gold and copper at its Gedabek mining concession in north-western Azerbaijan. Ore mined at Gedabek produces gold doré by heap and agitation leaching and copper concentrate (which also contains gold and silver) from SART and flotation processing. When processing operations are fully operational, production is cash generative at current metal prices. Historically, the Group has funded all its operational costs (including its Baku and London overheads) from cash generated from the sale of precious metal and copper produced at Gedabek.

Curtailment of agitation leaching and flotation processing and current operations

The Group’s agitation leaching and flotation processing produces waste as a slurry called tailings. These tailings are stored in a dam approximately seven kilometres from the Group’s processing plants. Cyanide is used as a reagent in agitation leaching processing and there are strict controls in place to prevent the cyanide from contaminating the tailings. The tailings dam is nearing full capacity and the Group had identified a valley next to its existing tailings dam as a possible site for the location of a second tailings dam. The Government of the Republic of Azerbaijan (the “Government”) has given the Group land use permission for the second dam.

In June 2023, inhabitants of Soyudlu village, which is close to the proposed site of the second tailings dam, protested against its construction. The Group has generally very good relations with communities in the local area around Gedabek and these protests were wholly unexpected. The protesters claimed that the existing tailings dam contains cyanide contamination which is polluting the environment in its vicinity. It could therefore be a danger to the health of local residents and the flora and fauna in the surrounding area.

As a result of the protests, the Government and the Company, jointly commissioned Micon International Co Limited ("Micon") to carry out a health, safety and environmental review of tailings management at Gedabek in late July 2023. The review included sampling soil, ground water and surface water for cyanide. Samples were assayed at an accredited laboratory in Azerbaijan. The Group also arranged for its own environmental consultants to accompany Micon and for parallel sampling and check assays to be performed. The discharge of tailings into the tailings dam was stopped from the beginning of August 2023 in conjunction with the environmental study. This required the staged curtailment of agitation leaching and flotation processing. The Group also suspended blasting and mining from the beginning of August 2023 to conserve funds.

The Group is currently only producing gold doré from heap leaching and copper concentrate from SART processing. There is currently no mining of ore and the development of the Gilar and Zafar mines has been stopped.

Micon report and restart of full production

The Group will only restart agitation leaching and flotation processing after issuance of the Micon report by the Government. It is anticipated that the Group, in conjunction with the Government, will implement changes to its operations to rectify any issues raised in the Micon report. The Group will work with the Government to address any issues and identify a time for resumption of its curtailed operations. The Company is still awaiting the issue of the final Micon report.

Should agitation leaching and flotation processing restart, the existing tailings dam currently only has sufficient capacity for approximately three months further production. The capacity of the tailings dam has been increased several times in the past by increasing the height of its wall. The Group now wishes to further increase the height of the wall by an average of 7.5 metres to give the tailings dam sufficient capacity for an additional two to three years of production. This raise of the dam wall will be carried out in stages with the first stage being a raise of approximately 2.5 metres. The Group has applied to the Government for permission to raise the wall and the environmental engineers, Shinyei Kaisha are being commissioned to carry out a study to ensure it has sufficient structural stability for a further raise. It is expected the study will take approximately four months and be completed by January 2024.

Upon receiving permission, the first raise of approximately 2.5 metres of the tailings dam wall is expected to take approximately four months to complete. Given that the current tailings dam only has three months capacity, and it may take up to eight months in total to obtain permission and then carry the raise of the wall, further interruptions to full production will be necessary once production resumes.

Financial condition of the Group and forecast till end of September 2024

The Group has in place an ANZ 55 million ($32.3 million) revolving credit facility with the International Bank of Azerbaijan ("IBA") with no conditions on drawdown. Under the terms of the revolving credit facility, there is a general obligation on the Group that there should be no significant deterioration in its financial position. The partial curtailment of processing operations means the Group can no longer meet this obligation. Accordingly, IBA have informally advised the Group that they have suspended lending under the revolving credit facility.

The Group has cash reserves of $10.4 million at 25 September 2023. The current costs of maintaining the Group's operations on a "care and maintenance" basis including administrative overheads in Baku and London is estimated at $1.5 million per month. Cash forecasts show that if the Group only continues to heap leach gold and cannot resume borrowing from IBA, it will exhaust its current cash reserves in the first quarter of 2024. To finance its operations from the first quarter of 2024 onwards, the Group will need to have restarted full operations and agreed to a resumption of lending from IBA under its revolving credit facility.

The Group has prepared a 12 month cash flow forecast until the end of September 2024, assuming resumption of its processing operations and availability of its IBA credit line. It also assumes the first 2.5 metre raise of the tailing will be completed by May 2024. This cash flow uses a gold price of $1,900 per ounce, a copper price of $8,200 per tonne. This base case cash flow shows that the Group is able to finance its operations till 30 September 2024.

Material uncertainties over going concern

At the time of approving the issuance of the financial statements, there exist several material uncertainties related to future events that may cast doubt on the Group's ability to continue as a going concern. It may therefore be unable to realise its assets and discharge its liabilities in the normal course of business.

These material uncertainties are as follows:

1 The Group will be able to fully restart agitation leaching and flotation processing.
2 IBA will agree to restart lending to the Group under its revolving credit facility.
3 The Government will not impose any conditions or fines etc. on the Group which will be so onerous as to make it impossible for the Group to continue in commercial operation.
4 Permission will be obtained to further raise the wall of the tailings dam and this wall raise will be completed by April 2023.

The Group operates its Gedabek site using best environmental practice. The directors therefore have an expectation that Micon report will not contain any adverse findings that will prevent it from resuming operations.

The Group’s tailing dam has been subject to regular inspections by both CQA and Knight Piésold. These two firms of environmental engineers have both reported no issues with the structural stability of the wall of the tailings dam. In addition, Knight Piésold have recommended that a further raise of the wall presents no danger of structural failure. The directors therefore also have an expectation that approval will be obtained for a further raise of its existing tailings dam wall and that the raise can be carried in sufficient time to enable the Group to meet its 12 month cash flow forecast until the end of September 2024.

Accordingly, but recognising the degree of uncertainty in a dynamic situation, the directors believe it is appropriate to prepare these financial statements on a going concern basis. The financial statements do not contain any adjustments that would be required to be made if they were prepared on a basis other than the going concern basis.

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, the Chief Executive Officer’s review and the strategic report above. The financial position of the Group, its cash flow, liquidity position and borrowing facilities are discussed within this financial review.

William Morgan
Chief financial officer
25 September 2023

Anglo Asian Mining plc
Condensed group statement of income
Six months ended 30 June 2023

Continuing operations	Notes	**6 months to 30 June 2023 (unaudited) $000**	6 months to 30 June 2022 (unaudited) $000
Revenue	2	**30,785**	31,548
Cost of sales		**(25,214)**	(20,426)
Gross profit		**5,571**	11,122
Other operating income		**119**	-
Administrative expenses		**(3,171)**	(3,058)
Other operating expenses		**(343)**	(511)
Operating profit		**2,176**	7,553
Finance costs		**(731)**	(359)
Finance income		**127**	39
Other expense		**-**	(710)
Share of loss of an associate company	3	**(213)**	(866)
Profit before tax		**1,359**	5,657
Income tax expense	4	**(546)**	(2,182)
Profit attributable to the equity holders of the parent		**813**	3,475
Profit per share attributable to the equity holders of the parent		**813**	3,475
Basic (US cents per share)	5	**0.71**	3.04
Diluted (US cents per share)	5	**0.71**	3.04

Anglo Asian Mining plc
Condensed group statement of comprehensive income
Six months ended 30 June 2023

	6 months to 30 June 2023 (unaudited) $000	6 months to 30 June 2022 (unaudited) $000
Profit for the period	**813**	3,475
Other comprehensive income		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:*		
Exchange differences on translation of foreign associate company	**132**	(37)

Share of comprehensive (loss) / profit of an associate company	**(6)**	3
Net other comprehensive profit / (loss) that may be reclassified to profit or loss in subsequent periods	**126**	(34)
Total comprehensive income for the period, net of tax*	**939**	3,441

* These are gross amounts and the tax effect is $nil.

Anglo Asian Mining plc
Condensed group statement of financial position
30 June 2023

	Notes	**30 June 2023 (unaudited) $000**	30 June 2022 (unaudited) $000	31 December 2022 (audited) $000
Non-current assets				
Intangible assets	6	**42,492**	32,200	38,616
Property, plant and equipment	7	**56,140**	56,853	56,045
Leased assets	8	**2,171**	2,814	2,363
Investment in an associate company	3	**5,731**	4,049	5,172
Non-current financial assets	9	**39**	80	39
		106,573	95,996	102,235
Current assets				
Inventory	10	**48,493**	49,019	40,202
Trade and other receivables	11	**15,640**	29,784	18,331
Current income tax asset		**-**	300	-
Cash and cash equivalents		**9,556**	21,152	20,410
		73,689	100,255	78,943
Total assets		**180,262**	196,251	181,178
Current liabilities				
Trade and other payables	12	**(15,673)**	(32,131)	(18,022)
Income taxes payable		**-**	-	(46)
Lease liabilities	8	**(449)**	(429)	(419)
		(16,122)	(32,560)	(18,487)
Net current assets		**57,567**	67,695	60,456
Non-current liabilities				
Trade and other payables		**(3,009)**	-	(2,897)
Provision for rehabilitation		**(16,006)**	(12,026)	(16,006)
Lease liabilities	8	**(2,059)**	(2,715)	(2,289)
Deferred tax liability	4	**(28,538)**	(26,881)	(27,992)
		(49,612)	(41,622)	(49,184)
Total liabilities		**(65,734)**	(74,182)	(67,671)
Net assets		**114,528**	122,069	113,507
Equity				
Share capital	13	**2,016**	2,016	2,016
Share premium	14	**33**	33	33
Treasury shares		**(145)**	-	(145)
Share-based payment reserve		**506**	223	424

Merger reserve	**46,206**	46,206	46,206
Foreign currency translation reserve	**(101)**	(34)	(233)
Retained earnings	**66,013**	73,625	65,206
Total equity	**114,528**	122,069	113,507

Anglo Asian Mining plc
Condensed group statement of cash flows
Six months ended 30 June 2023

	6 months to 30 June 2023 (unaudited) $000	6 months to 30 June 2022 (unaudited) $000
Cash flows from operating activities		
Profit before tax	**1,359**	5,657
Adjustments to reconcile profit before tax to net cash flows:		
Finance costs	**731**	359
Finance income	**(127)**	(39)
Unrealised loss on financial instruments	**-**	743
Gain on the modification of lease liabilities	**(28)**	-
Depreciation of owned assets	**5,689**	5,945
Depreciation of leased assets	**229**	306
Share based payment	**82**	211
Share of loss of an associated company	**214**	866
Amortisation of mining rights and other intangible assets	**399**	550
Foreign exchange loss	**88**	-
Operating cash flow before movements in working capital	**8,636**	14,598
Increase in trade and other receivables	**(515)**	(3,666)
Increase in inventories	**(8,291)**	(12,107)
Increase / (decrease) in trade and other payables	**852**	(1,461)
Cash generated from / (absorbed by) operations	**682**	(2,636)
Income taxes paid	**(46)**	(3,363)
Net cash provided by / (used by) operating activities	**636**	(5,999)
Cash flows from investing activities		
Expenditure on property, plant and equipment and mine development	**(6,623)**	(4,794)
Investment in exploration and evaluation activities	**(3,784)**	(2,403)
Acquisition of an associated company	**-**	(2,776)
Further investment in an associated company	**(646)**	-
Interest received	**-**	38
Net cash used in investing activities	**(11,053)**	(9,935)
Cash flows from financing activities		
Interest paid - lease liabilities	**(140)**	(164)
Repayment of lease liabilities	**(209)**	(203)
Net cash used in financing activities	**(349)**	(367)
Net decrease in cash and cash equivalents	**(10,766)**	(16,301)

Net foreign exchange difference	**(88)**	-
Cash and cash equivalents at beginning of period	**20,410**	37,453
Cash and cash equivalents at end of the period	**9,556**	21,152

Anglo Asian Mining plc
Condensed group statement of changes in equity

Six months ended 30 June 2023
(unaudited)

	Share capital $000	Share premium $000	Treasury shares $000	Share-based payment reserve $000	Merger reserve $000	Foreign currency translation reserve $000	Retained earnings $000	Total equity $000
1 January 2023	2,016	33	(145)	424	46,206	(233)	65,206	113,507
Profit for the period	-	-	-	-	-	-	813	813
Other comprehensive income for the period	-	-	-	-	-	132	(6)	126
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**-**	**132**	**807**	**939**
Share based payment	-	-	-	82	-	-	-	82
30 June 2023	**2,016**	**33**	**(145)**	**506**	**46,206**	**(101)**	**66,013**	**114,528**

Six months ended 30 June 2022
(unaudited)

	Share capital $000	Share premium $000	Share-based payment reserve $000	Merger reserve $000	Foreign currency translation reserve $000	Retained earnings $000	Total equity $000
1 January 2022	2,016	33	12	46,206	-	70,150	118,417
Profit for the period	-	-	-	-	-	3,475	3,475
Other comprehensive loss for the period	-	-	-	-	(34)	-	(34)
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**(34)**	**3,475**	**3,441**
Share based payment	-	-	211	-	-	-	211
30 June 2022	**2,016**	**33**	**223**	**46,206**	**(34)**	**73,625**	**122,069**

Year ended 31 December 2022
(audited)

	Share capital $000	Share premium $000	Treasury shares $000	Share-based payment reserve $000	Merger reserve $000	Foreign currency translation reserve $000	Retained earnings $000	Total equity $000
1 January 2022	2,016	33	-	12	46,206	-	70,150	118,417
Profit for the year	-	-	-	-	-	-	3,660	3,660

Other comprehensive loss for the year	-	-	-	-	-	(233)	8	(225)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**(233)**	**3,668**	**3,435**
Cash dividends paid	-	-	-	-	-	-	(8,612)	(8,612)
Share-based payment	-	-	-	412	-	-	-	412
Purchase of shares for treasury	-	-	(145)	-	-	-	-	(145)
31 December 2022	**2,016**	**33**	**(145)**	**424**	**46,206**	**(233)**	**65,206**	**113,507**

Anglo Asian Mining plc
Notes to the condensed Group interim financial statements
Six months ended 30 June 2023

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. The Group also invests in mining businesses outside of Azerbaijan.

Basis of preparation

The condensed Group interim financial statements for the six-month period ending 30 June 2023 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 2023 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 2022 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 except for the treatment of share-based payments, certain trade receivables at fair value, derivatives not designated as hedging instruments and financial assets at fair value through profit and loss. The condensed Group interim financial statements are presented in United States dollars ("$") and all values are rounded to the nearest thousand except where otherwise stated. In the condensed Group interim financial statements "£" and "pence" are references to the United Kingdom pound sterling, "CAN$" and "CAN cents" are references to Canadian dollars and cents 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 2023 are consistent with those followed in the preparation of the Group's annual report and accounts for 2022, except for the adoption of new standards that became effective from 1 January 2023. 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 2023, but do not have an impact on the condensed Group interim financial statements.

Going concern

Main business of the Group

The Group produces primarily gold and copper at its Gedabek mining concession in north-western Azerbaijan. Ore mined at Gedabek produces gold doré by heap and agitation leaching and copper concentrate (which also contains gold and silver) from SART and flotation processing. When processing operations are fully operational, production is cash generative at current metal prices. Historically, the Group has funded all its operational costs (including its Baku and London overheads) from cash generated from the sale of precious metal and copper produced at Gedabek.

Curtailment of agitation leaching and flotation processing and current operations

The Group's agitation leaching and flotation processing produces waste as a slurry called tailings. These tailings are stored in a dam approximately seven kilometres from the Group's processing plants. Cyanide is used as a reagent in agitation leaching processing and there are strict controls in place to prevent the cyanide from contaminating the tailings. The tailings dam is nearing full capacity and the Group had identified a valley next to its existing tailings dam as a possible site for the location of a second tailings dam. The Government of the Republic of Azerbaijan (the "Government") has given the Group land use permission for the second dam.

In June 2023, inhabitants of Soyudlu village, which is close to the proposed site of the second tailings dam, protested against its construction. The Group has generally very good relations with communities in the local area around Gedabek and these protests were wholly unexpected. The protesters claimed that the existing tailings dam contains cyanide contamination which is polluting the environment in its vicinity. It could therefore be a danger to the health of local residents and the flora and fauna in the surrounding area.

As a result of the protests, the Government and the Company, jointly commissioned Micon International Co Limited ("Micon") to carry out a health, safety and environmental review of tailings management at Gedabek in late July 2023. The review included sampling soil, ground water and surface water for cyanide. Samples were assayed at an accredited laboratory in Azerbaijan. The Group also arranged for its own environmental consultants to accompany Micon and for parallel sampling and check assays to be performed. The discharge of tailings into the tailings dam was stopped from the beginning of August 2023 in conjunction with the environmental study. This required the staged curtailment of agitation leaching and flotation processing. The Group also suspended blasting and mining from the beginning of August 2023 to conserve funds.

The Group is currently only producing gold doré from heap leaching and copper concentrate from SART processing. There is currently no mining of ore and the development of the Gilar and Zafar mines has been stopped.

Micon report and restart of full production

The Group will only restart agitation leaching and flotation processing after issuance of the Micon report by the Government. It is anticipated that the Group, in conjunction with the Government, will implement changes to its operations to rectify any issues raised in the Micon report. The Group will work with the Government to address any issues and identify a time for resumption of its curtailed operations. The Company is still awaiting the issue of the final Micon report.

Should agitation leaching and flotation processing restart, the existing tailings dam currently only has sufficient capacity for approximately three months further production. The capacity of the tailings dam has been increased several times in the past by increasing the height of its wall. The Group now wishes to further increase the height of the wall by an average of 7.5 metres to give the tailings dam sufficient capacity for an additional two to three years of production. This raise of the dam wall will be carried out in stages with the first stage being a raise of approximately 2.5 metres. The Group has applied to the Government for permission to raise the wall and the environmental engineers, Shinyei Kaisha are being commissioned to carry out a study to ensure it has sufficient structural stability for a further raise. It is expected the study will take approximately four months and be completed by January 2024. Upon receiving permission, the first raise of approximately 2.5 metres of the tailings dam wall is expected to take approximately four months to complete. Given that the current tailings dam only has three months capacity, and it may take up to eight months in total to obtain permission and then carry the raise of the wall, further interruptions to full production will be necessary once production resumes.

Financial condition of the Group and forecast till end of September 2024

The Group has in place an ANZ 55 million ($32.3 million) revolving credit facility with the International Bank of Azerbaijan ("IBA") with no conditions on drawdown. Under the terms of the revolving credit facility, there is a general obligation on the Group that there should be no significant deterioration in its financial position. The partial curtailment of processing operations means the Group can no longer meet this obligation. Accordingly, IBA have informally advised the Group that they have suspended lending under the revolving credit facility.

The Group has cash reserves of $10.4 million at 25 September 2023. The current costs of maintaining the Group's operations on a "care and maintenance" basis including administrative overheads in Baku and London is estimated at $1.5 million per month. Cash forecasts show that if the Group only continues to heap leach gold and cannot resume borrowing from IBA, it will exhaust its current cash reserves in the first quarter of 2024. To finance its operations from the first quarter of 2024 onwards, the Group will need to have restarted full operations and agreed to a resumption of lending from IBA under its revolving credit facility.

The Group has prepared a 12 month cash flow forecast until the end of September 2024, assuming resumption of its processing operations and availability of its IBA credit line. It also assumes the first 2.5 metre raise of the tailing will be completed by May 2024. This cash flow uses a gold price of $1,900 per ounce, a copper price of $8,200 per tonne. This base case cash flow shows that the Group is able to finance its operations till 30 September 2024.

Material uncertainties over going concern

At the time of approving the issuance of the financial statements, there exist several material uncertainties related to future events that may cast doubt on the Group's ability to continue as a going concern. It may therefore be unable to realise its assets and discharge its liabilities in the normal course of business.

These material uncertainties are as follows:

1 The Group will be able to fully restart agitation leaching and flotation processing.
2 IBA will agree to restart lending to the Group under its revolving credit facility.
3 The Government will not impose any conditions or fines etc. on the Group which will be so onerous as to make it impossible for the Group to continue in commercial operation.
4 Permission will be obtained to further raise the wall of the tailings dam and this wall raise will be completed by April 2023.

The Group operates its Gedabek site using best environmental practice. The directors therefore have an expectation that Micon report will not contain any adverse findings that will prevent it from resuming operations.

The Group's tailing dam has been subject to regular inspections by both CQA and Knight Piésold. These two firms of environmental engineers have both reported no issues with the structural stability of the wall of the tailings dam. In addition, Knight Piésold have recommended that a further raise of the wall presents no danger of structural failure. The directors therefore also have an expectation that approval will be obtained for a further raise of its existing tailings dam wall and that the raise can be carried in sufficient time to enable the Group to meet its 12 month cash flow forecast until the end of September 2024.

Accordingly, but recognising the degree of uncertainty in a dynamic situation, the directors believe it is appropriate to prepare these financial statements on a going concern basis. The financial statements do not contain any adjustments that would be required to be made if they were prepared on a basis other than the going concern basis.

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, the Chief Executive Officer's review 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.

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 entireties. 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 in 2022 and 2023 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 2022 and 2023 to Industrial Minerals SA, Trafigura PTE Ltd and Metal-Kim Metalurji Ve Kimya Tarim Sanayi Tic Ltd Sti.

3 Investment in an associate

Libero Copper & Gold Corporation ("Libero") is a minerals exploration company listed on the TSX Venture Exchange (ticker: LBC) in Canada and owns, or has the right to acquire, several copper exploration properties in North and South America.

On 26 January 2022, the Group acquired an additional 10 per cent. interest in Libero taking its total interest to 19.8 per cent. From this date, Libero is accounted for using the equity method of accounting in the Group's consolidated financial statements. Prior to 26 January 2022, the Group had a 9.8 per cent. interest in Libero and accounted for the investment as a financial asset.

The Group has significant influence over Libero as it has a shareholding of approximately 20 per cent. in Libero, a Group director is also a director of Libero and the Group's Vice president, technical services is a member of the technical committee of Libero. The market value of the Libero shares held by the Group, which corresponds to their fair value, on 30 June 2023 was $1,125,000. There are no restrictions on the ability of the Group to transfer funds to Libero and for Libero to transfer funds to the Group. The financial statements of Libero are made up to 31 December of each year. The financial information about Libero, included in these Group financial statements, has been taken from their audited financial statements for the year ended 31 December 2022 dated 25 April 2023 and their unaudited financial statements for the six months ended 30 June 2023 dated 24 August 2023.

The Group's interest in Libero at 31 December 2022 was 18.29 per cent. Libero carried out a placement of 6,747,000 shares on 30 December 2022. The Group subscribed for 2.6 million shares at CAD 15 cents per share for a total of $294,000 as part of this placement to maintain its interest in Libero at 19.8 per cent. The Group completed its placement on 8 January 2023. The Group's interest in Libero was therefore temporarily 18.29 per cent. in the period 31 December 2022 to 7 January 2023. The Group also subscribed for 3.2 million shares at CAD 15 per share for a total of $362,000 in February 2023.

The following tables illustrates the summarised financial information of the Group's investment in Libero:

The goodwill and other assets of Libero at 31 December 2022 and 30 June 2023 were assessed for impairment and no impairment charge was considered necessary.

Balance sheet of Libero at 30 June 2023, 30 June 2022 and 31 December 2022

	30 June 2023 (Unaudited) $000	30 June 2022 (unaudited) $000	31 December 2022 (Audited) $000
Current assets	**436**	1,684	338
Non-current assets	**2,940**	2,908	2,579
Current liabilities	**(1,128)**	(961)	(639)
Non-current liabilities	**(143)**	(209)	(139)
Equity	**2,105**	3,422	2,139

Reconciliation to carrying value in Group balance sheet

Equity of Libero	**2,105**	3,422	2,139
Share based payment expense	**(972)**	(582)	(874)
Exploration expense	**8,299**	-	6,531
Equity recognised by the Group	**9,432**	2,840	7,796
Group's share in equity – 19.3% and 19.6% (2022: 18.3%)	**1,819**	556	1,426
Goodwill	**3,912**	3,493	3,746
Carrying value of associate company	**5,731**	4,049	5,172

Profit and loss account of Libero for the 6 months to 30 June 2023

	6 months to 30 June 2023 (Unaudited) $000	6 months to 30 June 2022 (Unaudited) $000
Expenses	**2,618**	5,169
Other expenses	**75**	314
Loss before taxation	**2,693**	5,483
Taxation	**(10)**	-
Loss for the period	**2,683**	5,483

Reconciliation to loss of associate company in the Group profit and loss account

Loss for the period	**2,683**	5,483
Pre-acquisition loss to 25 January 2022	**-**	(659)
Exploration expense	**(1,596)**	-
Post acquisition loss	**1,087**	4,824
Group's share of the loss at 19.7 and 19.6 per cent.	**213**	949
Profit on deemed disposal of 0.2 per cent. of Libero	**-**	(83)

Loss recognised as an associate	**213**	866

Reconciliation of the movement in associate company for the year ended 31 December 2022 and the 6 months to 30 June 2023

	$000
1 January 2022	-
Transfer from other financial assets	2,382
Additions	3,491
Share of loss of the associated company	(476)
Foreign exchange loss	(225)
31 December 2022	5,172
Additions	646
Share of loss of the associated company	(213)
Foreign exchange gain	126
30 June 2023	**5,731**

Libero had no contingent liabilities or capital commitments at 31 December 2022 and 30 June 2023.

4 Income tax

The income taxation charge for the 6 months ended 30 June 2023 represents a current income tax charge of $nil (2022: $nil) and a deferred taxation charge of $0.6m (2022: $2.2m). These current and deferred taxation charges are in respect of the representative office registered in Azerbaijan of RV Investment Group Services LLC ("RVIG") (a wholly owned subsidiary of the Company).

Deferred taxation assets or liabilities are 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 2023, RVIG had unused taxation losses available for offset against future profits of $8.3m and a deferred taxation asset of $2.7m has been offset against deferred taxation liabilities in the Group balance sheet. The Group also 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.

5 Profit per ordinary share

Profit per ordinary share	**6 months to 30 June 2023 (unaudited) $000**	6 months to 30 June 2022 (unaudited) $000
Profit after tax for the period	**813**	3,475
Basic profit per share (US cents)	**0.71**	3.04
Diluted profit per share (US cents)	**0.71**	3.04

Weighted average number of shares	**Number**	**Number**
For basic earnings per share	**114,242,024**	114,392,024
For diluted earnings per share	**114,242,024**	114,392,024

6 Intangible assets

	Exploration and evaluation								
	Gedabek (unaudited) $000	Gosha (unaudited) $000	Ordubad (unaudited) $000	Vejnaly (unaudited) $000	Xarxar (unaudited) $000	Garadag (unaudited) $000	Mining rights (unaudited) $000	Other Intangible assets (unaudited) $000	Total (unaudited) $000
Cost									
I January 2022	17,356	2,198	5,941	-	-	-	41,925	562	67,982
Additions	3,654	515	165	517	1,613	2,772	-	164	9,400
31 December 2022	21,010	2,713	6,106	517	1,613	2,772	41,925	726	77,382
Additions	1,117	203	478	635	1,815	27	-	-	4,275
30 June 2023	22,127	2,916	6,584	1,152	3,428	2,799	41,925	726	81,657
Amortisation and impairment									
1 January 2022	-	-	-	-	-	-	37,142	493	37,635
Charge for the year	-	-	-	-	-	-	1,107	24	1,131
31 December 2022	-	-	-	-	-	-	38,249	517	38,766
Charge for the period	-	-	-	-	-	-	374	25	399
30 June 2023	-	-	-	-	-	-	38,623	542	39,165
Net book value									
31 December 2022	21,010	2,713	6,106	517	1,613	2,772	3,676	209	38,616
30 June 2023	22,127	2,916	6,584	1,152	3,428	2,799	3,302	184	42,492

7 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 2022	27,181	224,915	2,227	254,323
Additions	1,409	7,106	601	9,116
Transfer to producing mines	-	647	(647)	-
Increase in provision for rehabilitation	-	3,662	-	3,662
31 December 2022	28,590	236,330	2,181	267,101
Additions	800	4,538	925	6,263
Decrease in provision for rehabilitation	-	(479)	-	(479)
30 June 2023	**29,390**	**240,389**	**3,106**	**272,885**
Depreciation and impairment				
1 January 2022	23,193	172,420	-	195,613
Charge for year	1,002	14,441	-	15,443
31 December 2022	24,195	186,861	-	211,056
Charge for period	403	5,286	-	5,689
30 June 2023	**24,598**	**192,147**	**-**	**216,745**
Net book value				
31 December 2022	4,395	49,469	2,181	56,045

30 June 2023	**4,792**	**48,242**	**3,106**	**56,140**

8 Leases
Right of use assets

	Plant and equipment and motor vehicles (unaudited) $000	Producing mines (unaudited) $000	Total (unaudited) $000
Cost			
1 January 2022	3,480	1,210	4,690
Additions	337	-	337
Lease modifications	(743)	(57)	(800)
31 December 2022	3,074	1,153	4,227
Additions	168	-	168
Lease modifications	(254)	-	(254)
30 June 2023	**2,988**	**1,153**	**4,141**
Depreciation and impairment			
1 January 2022	1,223	401	1,624
Charge for year	386	154	540
Lease modifications	(264)	(36)	(300)
31 December 2022	1,345	519	1,864
Charge for period	166	63	166
Lease modifications	(123)	-	(123)
30 June 2023	**1,388**	**582**	**1,970**
Net book value			
31 December 2022	1,729	634	2,363
30 June 2023	**1,600**	**571**	**2,171**

Lease liabilities

	Total $000
1 January 2022	3,293
Additions	337
Lease modifications	(565)
Interest expense	291
Repayment	(648)
31 December 2022	**2,708**
Addition	168
Lease modifications	(159)
Interest expense	140
Repayment	(349)
30 June 2023	**2,508**

	30 June 2023 (unaudited) $000	30 June 2022 (unaudited) $000	31 December 2022 (audited) $000
Current liabilities	**449**	429	419
Non-current liabilities	**2,059**	2,715	2,289
Total lease liabilities	**2,508**	3,144	2,708

Amount recognised in the profit and loss account

	6 months to 30 June 2023 (unaudited) $000	6 months to 30 June 2022 (unaudited) $000
Depreciation expense of right to use assets	**229**	306
Interest expense	**140**	165
Expense relating to short leases	**129**	131
Gain on lease modifications	**(28)**	-
	470	602

9 Other financial assets

Non - current	**30 June 2023 (unaudited) $000**	30 June 2022 (unaudited) $000	31 December 2022 (audited) $000
Derivatives not designated as hedging instruments			
Share warrants	**39**	80	39

Share warrants

Each of the 12,600,000 shares purchased in Libero has half a warrant attached totalling 6,300,000 warrants. The carrying value is the value of the 6,300,000 warrants valued using a risk-neutral binomial tree. Quantitative information about the fair value measurement of the warrants using significant directly or indirectly observable inputs together with the major assumptions used to value the share warrants in Libero is as follows:

Assumption	**30 June 2023**	30 June 2022	31 December 2022
Share price of Libero	**CAD$0.07**	CAD$0.24	CAD$0.16
Option exercise price	**CAD$0.75**	CAD$0.75	CAD$0.75
Acceleration condition	**CAD$1.00**	CAD$1.00	CAD$1.00
Lapse date			
2.8m warrants issued 22 December 2021	**21 December 2023**	21 December 2023	21 December 2023
3.5m warrants issued 26 January 2022	**25 January 2024**	25 January 2024	25 January 2024
Risk free rate	**4.6 per cent.**	3.09 per cent.	4.6 per cent.
Expected volatility – daily	**6.88 per cent.**	5.64 per cent.	6.88 per cent.
Expected volatility – annualised	**109.26 per cent.**	89.58 per cent.	109.26 per cent.
Discount for lack of marketability	**13.97 per cent.**	11.61 per cent.	13.97 per cent.
Exchange rate	**US$1 = CAD$1.3255**	US$1 = CAD$1.2872	US$1 = CAD$1.3549

10 Inventory

	30 June 2023 (unaudited) $000	30 June 2022 (unaudited) $000	31 December 2022 (audited) $000
Cost			
Finished goods - bullion	**4,834**	10,500	2,243
Finished goods - metal in concentrate	**4,701**	3,843	1,128
Metal in circuit	**10,726**	12,391	12,140
Ore stockpiles	**8,813**	7,138	8,299
Spare parts and consumables	**19,419**	15,147	16,392
Total current inventories	**48,493**	49,019	40,202
Total inventories at the lower of cost and net realisable value	**48,493**	49,019	40,202

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.

11 Trade and other receivables

Current	**30 June 2023 (unaudited) $000**	30 June 2022 (unaudited) $000	31 December 2022 (audited) $000
Gold held due to the Government of Azerbaijan	**3,045**	22,488	7,274
VAT refund due	**792**	25	1,562
Loan to employee	**520**	500	510
Other tax receivable	**1,713**	1,432	1,038
Trade receivables – fair value*	**3,569**	1,441	2,716
Prepayments and advances	**6,001**	3,898	5,231
	15,640	29,784	18,331

**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 2022 and 2023 and 31 December 2022.

The VAT refund due at 30 June 2022 and 2023 and 31 December 2022 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 12.

12 Trade and other payables

Current assets	**30 June 2023 (unaudited) $000**	30 June 2022 (unaudited) $000	31 December 2022 (audited) $000
Accruals and other payables	**5,736**	4,868	4,912
Trade creditors	**4,992**	3,075	3,211
Gold held due to the Government of Azerbaijan	**3,045**	22,488	7,274
Payable to the Government of Azerbaijan from copper concentrate joint sale	**1,900**	1,700	2,525
	15,673	32,131	18,022

Non-current assets	**30 June 2023 (unaudited) $000**	30 June 2022 (unaudited) $000	31 December 2022 (audited) $000
Geological data	**3,009**	-	2,897

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.

In the year ended 31 December 2022, the Group contracted with AzerGold CJSC to pay $4.0 million for the historical geological data Azergold CJSC owned in respect of the Garadag and Xarxar Contract Areas. The consideration was apportioned as $3.3 million for Garadag data and $0.7 million for Xarxar data. $1.0 million (25 per cent.) was paid in 2022 with the remaining $3.0 million (75 per cent.) payable after three years, or if earlier for each respective deposit, the balance of the purchase price on the approval of the Group's development and production programme for the deposit in accordance with the Group's Production Sharing Agreement. The amount outstanding under the contract at 30 June 2023 and 31 December 2022 has been classified as a non-current liability. The long-term creditor has been discounted at a rate of 8 per cent. being the risk-free rate. The repayment dates of the creditor are the directors' best estimation of when repayment will occur. The undiscounted amount of the creditor at 30 June 2023 and 31 December 2022 is $3.0 million (30 June 2022: $nil).

13 Share capital

	Ordinary shares of 1 pence each	**$000**
Ordinary shares issued and fully paid:		
30 June 2023 and 2022 and 31 December 2022	114,392,024	2,016

150,000 ordinary shares were brought back during the year ended 31 December 2022 and are now held in treasury.

14 Share premium account

	$000
30 June 2023 and 2022 and 31 December 2022	33

15 Distributions made and proposed

	Six months ended 30 June 2023 (unaudited) $000	Six months ended 30 June 2022 (unaudited) $000	Year ended 31 December 2022 (audited) $000
Cash dividends on ordinary shares declared and paid			
Final dividend for 2021: 3.5 US cents* per share	**-**	-	3,995
Interim dividend for 2022: 4.0 US cents* per share	**-**	-	4,617
	-	-	8,612
Cash dividends proposed on ordinary shares			
Final dividend for 2022: 4.0 US cents***per share	**-**	-	4,570

* the final dividend for 2021 was declared in United States dollars but paid in Sterling in the amount of 2.9181 pence per ordinary share on 28 July 2022.
**the interim dividend for 2022 was declared in United States dollars but paid in Sterling in the amount of 3.5559 pence per ordinary share on 3 November 2022.
***the final dividend for 2022 was declared in United States dollars but paid in Sterling in the amount of 3.1421 pence per ordinary share on 27 July 2023.

The proposed but not paid final and interim dividends for the year ending 31 December 2022 and the 6 months ended 30 June 2023 respectively are not recognised as liabilities in the Group statements of financial position.

16 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 year ended 20 August 1997 (the "PSA"). The original agreement was dated 20 August 1997 and granted the Group mining rights over the following contract areas containing mineral deposits: Gedabek, Gosha, Ordubad Group (Piyazbashi, Agyurt, Shakardara, Kiliyaki), Soutely, Kyzilbulag and Vejnali. On 5 July 2022, amendments to the PSA were ratified by the Parliament of the Republic of Azerbaijan which granted the Group three new contract areas with a combined area of 882 square kilometres and relinquished the Soutely contract area. The parliamentary ratification was signed into law on 5 July 2022 by the President of the Republic of Azerbaijan

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.

Forward sales of gold bullion and commitment to physical deliver gold bullion

As part of its risk management procedures, the Group from time to time, contracts for forward sales of gold bullion to hedge the gold price at which a proportion of its gold bullion is sold. At 30 June 2023 (31 December 2022 and 30 June 2022: nil), the Group had the following forward sales contracts outstanding.

Delivery date and sale of gold bullion	Amount of gold bullion sold (ounces)	Contracted gold sale price per ounce ($)	Value of forward sales ($000)
31 July 2023	400	1,954.75	782
31 August 2023	300	1,959.75	588
29 September 2023	300	1,964.50	589
31 October 2023	1,000	1,969.50	1,970
30 November 2023	800	1,974.50	1,580
29 December 2023	800	1,979.25	1,583

The gold forward sales contracts disclosed above did not meet the criteria of financial instruments for accounting purposes on the basis that they meet the normal purchase and sale exemption because physical gold will be delivered to settle the contract. Accordingly, the contracts will be accounted for as sale contracts with revenue recognition in the period in which the gold bullion is made. The balances in the table above relate to the value of the contracts to be delivered into by transfer of physical gold.

17 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 2023 of $2,755,000 (6 months to 30 June 2022: $1,809,000) 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 $458,000 at 30 June 2023 (30 June 2022: $nil and 31 December 2022: $250,000).

b) No payment in the 6 months to 30 June 2023 (6 months to 30 June 2022: $1,033,000) was 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 not a payable to F&H at 30 June 2023 (30 June 2022: $576,000 and 31 December 2022: $nil).

c) On 30 June 2022, a loan of $500,000 was made to the vice president of technical services of Azerbaijan International Mining Company. The loan carries an interest rate of 4 per cent. and is repayable on 30 June 2023 with earlier repayment permissible. The loan is secured on the Anglo Asian Mining plc shares owned by the vice president of technical services of Azerbaijan International Mining Company. The loan was guaranteed by the president and chief executive officer of Anglo Asian Mining plc. The loan was renewed for a further a year to 30 June 2024.

18 Post balance sheet events

Temporary curtailment of operations at Gedabek mine

In June 2023, protests took place by local communities against the location of a second tailings dam in the vicinity of the Company's existing tailings dam. To give assurances to local communities that the existing dam does not present any danger to health, the Government of Azerbaijan (the "Government") and the Company agreed that an independent health, safety and environmental review of tailings dam management at Gedabek be carried out. The Company also agreed to stop discharging tailings whilst the results of the review were being collated. Accordingly, the Company suspended agitation leaching and flotation processing and blasting from the beginning of August 2023. Micon International Limited ("Micon") were commissioned to carry out the review.

The Company is still awaiting the results of the environmental review by Micon. Until the results are obtained, it is not possible to quantify the financial effects of the suspension of operations.

19 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 2023 were authorised for issue in accordance with a resolution of the directors on 25 September 2023.

****ENDS****

Notes:

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

On 30 March 2023, the Company published its strategic plan for growth which shows a clearly defined path for the Company to transition to a multi-asset, mid-tier copper and gold producer by 2028. By 2028, copper will be the principal product of the Company, with forecast production of around 36,000 copper equivalent tonnes. It plans to achieve this growth by bringing into production four new mines during 2023 to 2028 at Zafar, Gilar, Xarxar and Garadag.

The Company owns approximately 17.4 per cent. of Libero Copper & Gold Corporation ("Libero"). Libero is listed on the TSX Venture Exchange in Canada and owns, or has the option to acquire, several copper exploration properties in North and South America, including Mocoa in Colombia, one of the world's largest undeveloped copper-molybdenum resources.