Developing an exceptional portfolio of assets to deliver sustainable growth

Anglo Asian Mining PLC
Annual report and accounts 2024

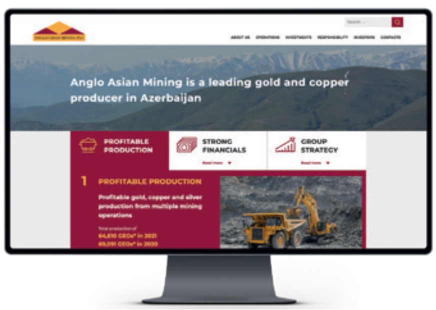
Contents

Anglo Asian Mining PLC is an established gold, copper and silver producer with a broad portfolio of production and exploration assets in Azerbaijan. The Company produced 16,760 gold equivalent ounces in the year ended 31 December 2024. The Company is executing a well-defined strategy to grow production and become a mid-tier copper producer. Gilar, a new underground copper and gold mine at Gedabek, started production in May 2025. The Company is also well advanced in reopening the Demirli plant, a brownfield copper project acquired in 2022.

The Company has an exciting portfolio of greenfield assets which lay the foundation for substantial future growth of the business. In addition to Gilar; Zafar, Xaxar and Garadag all host significant ore deposits. The Company is developing these opportunities at pace with JORC mineral resources now published for all its significant mineral deposits. These mineral deposits contain total JORC mineral resources (measured, indicated and inferred) of over one million tonnes of copper and 328,000 ounces of gold.

The Group fully restarted production in 2024 following an environmental partial suspension of processing in 2023. The Group also acquired limited access to Demirli in 2024, a brownfield copper mine in Karabakh. The Group is well advanced in completing the required work to restart production at Demirli.

Sustainability, and minimising the risk of any adverse impact to the environment, are at the core of our business and everything we do. A sustainability committee was established in 2024 and the Company reports climate-related financial and other information.



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www.angloasianmining.com

Highlights

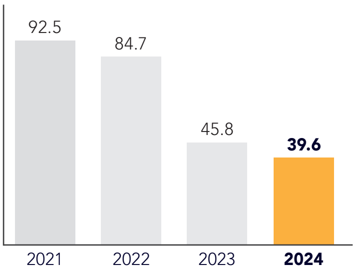
year ended 31 December 2024

Operational highlights

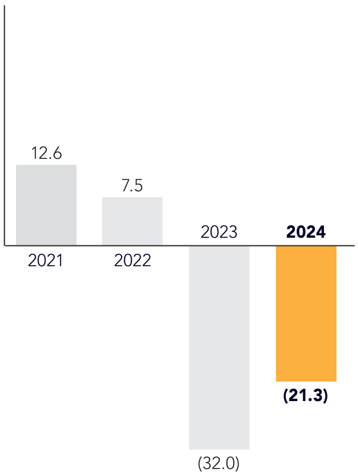
- Total production for 2024 was 16,760 gold equivalent ounces ("GEOs") compared to 31,821 GEOs in 2023
- Gold production for 2024 was 15,073 ounces, compared to 21,758 ounces produced in 2023
- Gold bullion sales in 2024 were 15,251 ounces (2023: 15,822 ounces) completed at an average of $2,432 per ounce (2023: $1,951 per ounce)
- Copper production for 2024 was 377 tonnes compared to 2,138 tonnes produced in 2023
- Silver production for 2024 totalled 28,258 ounces compared to 2023 production of 53,226 ounces

Financial highlights

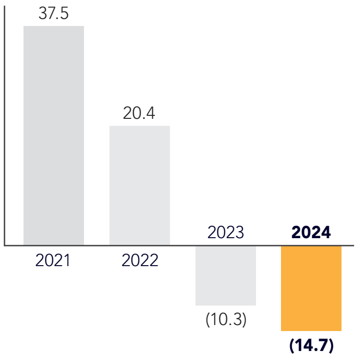
Revenue
($m)



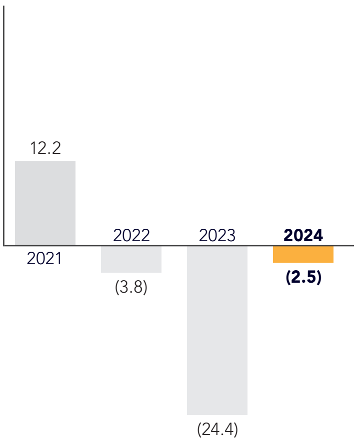
Profit/(loss) before taxation
($m)



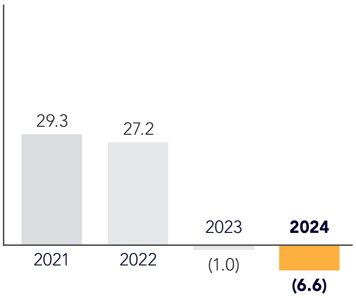
Net cash/(debt)†*
($m)



Free cash flow†*
($m)



Operating cash flow before movements in working capital
($m)



† *Including cash in transit and restricted cash used to secure a borrowing.*

* *Non-IFRS indicator. See definition in financial review on pages 41 to 45.*

Anglo Asian Mining at a glance

Anglo Asian Mining is an established and sustainable mining business with a portfolio of wholly owned copper, gold and silver producing and development stage assets in Azerbaijan. These assets are situated on the Tethyan Tectonic belt, one of the world's most significant gold and copper bearing trends.

Azerbaijan contract areas

Azerbaijan is situated in southwest Asia, bordering the Caspian Sea, with a small European portion north of the Caucasus range. Azerbaijan borders Armenia, Georgia, Iran, Russia and Türkiye, and is split into two parts by Armenia; the smaller part is called the Autonomous Republic of Nakhchivan. Full sovereignty was restored over the Karabakh region of Azerbaijan in 2023. The country has an established democratic government, which is fully supportive of international investment initiatives. Infrastructure is reasonably extensive and energy costs are relatively inexpensive compared to other mining jurisdictions. Low cost labour is also available.

- Active – production and exploration
- Exploration
- Under development
- Currently no access

The Group has eight concessions, called contract areas, in Azerbaijan with a total area of 2,544 square kilometres. Gedabek, Gosha, Xarxar and Garadag form a contiguous territory of 1,408 square kilometres which is developing as a potential copper district. Vejnaly is located in the Zangilan region of Azerbaijan and Kyzlbulag and Demirli are a contiguous territory in Karabakh. Ordubad is in the Nakhchivan exclave of Azerbaijan. Access has not yet been granted to Kyzlbulag.

The Group has historically produced gold, copper and silver from its open pit and Gadir underground mines at Gedabek. These mines are now very mature and the Group is transitioning to production from its new deposits of Zafar and Gilar situated at Gedabek, and Xarxar and Garadag. Gilar, a new underground copper and gold mine at Gedabek, started production in May 2025. The Group is also restarting the Demirli mine and plant, a brownfield copper project in Karabakh.

JORC minerals resource estimates have now been published for Zafar, Gilar, Xarxar and Garadag. In total, these deposits contain total JORC mineral resources (measured, indicated and inferred) of over one million tonnes of copper and 328,000 ounces of gold. The Demirli mine also contains a substantial copper resource.

The Group's processing facilities are located at Gedabek. Gold doré is produced by leaching and copper concentrate by flotation. Production was fully restarted in 2024 following the partial environmental shutdown in 2023. Extensive refurbishment and maintenance of the Group's production facilities were also carried out during the partial environmental shutdown.

The Group's contract areas are all highly prospective, exploration territory. The Group has a proven track record of mineral discovery having discovered the Ugur, Gadir, Zafar and Gilar deposits in the last nine years.

Gosha and Vejnaly both host existing underground mines built in the Soviet era. Exploration is carried out at these two locations.

Azerbaijan contract areas

GEDABEK

300 square kilometre

Gedabek is the main mining concession where production has historically taken place. It hosts the Gedabek open pit and the contiguous Gedabek and Gadir underground mines. Gilar, a new underground copper-gold mine, started production in May 2025. The Zafar deposit is also located at Gedabek but is not currently being developed as the Company currently has sufficient ore feedstock from its existing mines. All processing facilities are currently located at Gedabek which comprise an agitation leaching plant, a flotation plant and SART processing. The capacity of the flotation plant was doubled in 2023. Heap leaching is also carried out using both crushed and ROM ore.

Gedabek is now a very mature site with excellent road access, power from the Azeri national grid and a water treatment plant. Only minimal capital expenditure is now required to sustain its operations. Mining and exploration rights are until March 2027 which can be extended for a further five years.

The Company's tailing management facility is situated approximately 4.5 kilometres from the Company's processing facilities at Gedabek and is a downstream rock fill embankment. There have been four construction phases, and a final wall raise is being carried out in two stages, the first of which was completed in 2024. The Company has committed to implement the Global Industry Standard on Tailings Management ('GISTM') by the end of 2026.

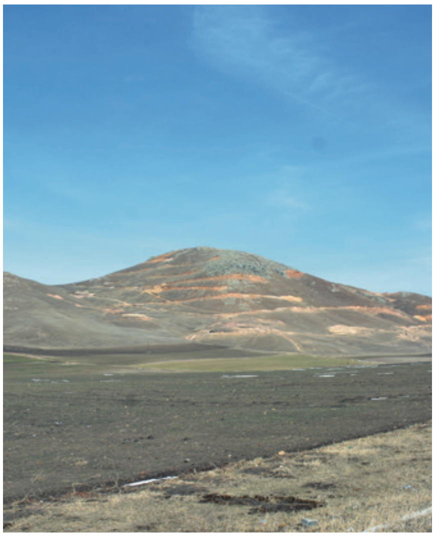
XARXAR

464 square kilometre

Xarxar is situated 1.5 kilometres from the northern boundary of the Gedabek contract area.

Extensive geological fieldwork was carried out in 2023 including core drilling from both surface and underground. An exploration portal has been constructed and the underground tunnel developed. The historical data acquired in 2022 from the previous owner of the deposit was also extensively analysed. A JORC mineral resource estimate has been published containing total JORC mineral resources of 119,100 tonnes of copper.

The Xarxar contract area extends the Gedabek contract area to the north. The Gilar mine is situated within the Gedabek contract area close to its northern boundary. Geological exploration indicates that the Gilar deposit trends to the north into the Xarxar contract area. The Xarxar contract area will therefore enable the Gilar deposit to be fully mined.



GARADAG

344 square kilometre

Garadag abuts the northern boundary of Xarxar and hosts the Garadag deposit. Garadag has been extensively explored since the end of the Soviet era by its previous owners.

In 2022, the Group acquired the historical geological exploration and other data of the previous owners of the deposit. The data included 9,645 chemical assays taken from 23,454 metres of drill core which have been transferred to the Group. The data also included geochemical and geophysical data, including maps and interpretative reports.

No geological fieldwork was carried out in 2024. However, extensive collating and analysis was carried out of the historical data which was acquired.

A maiden JORC mineral resource for the Garadag deposit was published in 2024 confirming a total resource (Indicated and Inferred categories) of approximately 900,000 tonnes of copper metal hosted in 285 million tonnes of mineralisation with average grades of 0.32 per cent. copper.

Anglo Asian Mining at a glance *continued*

Azerbaijan contract areas continued

GOSHA

300 square kilometre

Gosha is situated in western Azerbaijan, 50 kilometres northwest of Gedabek. 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 year ended 31 December 2024.

"Hasan", a sub-vertical high gold grade mineralised vein, immediately south of the existing Gosha mine, has also been discovered. 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 Group is also carrying out geological fieldwork at Asrikchay, a copper and gold target situated in the northeast corner of the Gosha contract area, about seven kilometres from the Gosha mine, within the Asrikchay valley.

VEJNALY

300 square kilometre

Vejnaly is a 300 square kilometre contract area located in the Zangilan district in southwest Azerbaijan. It borders Iran to the south and Armenia to the west. It hosts the Vejnaly deposit.

There are both open pit and underground workings and the main ore body was extensively mined during the Armenian occupation. There is also an existing crusher and flotation processing plant at the mine which will need extensive renovation to recommence operation.

The Group did not have access to Vejnaly in 2024 as land mine clearance was being carried out. Accordingly, no production or geological field work was undertaken. However, a "WorldView-3" study was completed by "Exploration Mapping USA" and a map prepared identifying exploration targets.

ORDUBAD

462 square kilometre

Ordubad is an exploration area in Nakhchivan, southwest Azerbaijan, which contains numerous targets. Geology suggests that the area is favourable for porphyry formation. Targets include Shakadara (gold), Dirnis (copper and silver prospect), Keleki (gold prospect), Destabashi (copper prospect) and Aylis.

Limited geological exploration was carried out at Ordubad in 2024.

KYZLBULAG

462 square kilometre

Kyzlbulag is in Karabakh. 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.

Kyzlbulag together with Demirli contain the Demirli mine. There are indications that up to 35,000 ounces of gold per year were extracted from the Demirli copper-gold mine, before the mine was closed several years ago, indicating the presence of a gold mineralising system.

The Government of Azerbaijan restored its sovereignty over Karabakh in 2023.

DEMIRLI

74 square kilometre

The Demirli deposit is adjacent to the Kyzlbulag contract area and expands the Kyzlbulag contract area to the northeast. The Government of Azerbaijan restored its sovereignty over Karabakh in 2023 and in 2024 the Group acquired limited access to the Demirli mine and plant.

The Demirli mine and plant comprises two contiguous open pits and a six million tonnes per annum flotation plant to produce copper concentrate, together with a smaller molybdenum flotation plant. There is good access to Demirli from Baku over mainly metalled roads. There is also an existing mining fleet, a tailings dam and accommodation facilities.

A significant operation has been established at the site. The Group is progressing well towards restarting production. An ore resource of sufficient size to commercially restart the plant has also been confirmed by reverse circulation drilling.

GEDABEK TOWN

The Company's main production site is at its Gedabek contract area which is close to the town of Gedabek in western Azerbaijan. Gedabek town has undergone a large amount of economic growth and development as a result of the mining now taking place in the area. Previously an impoverished upland town, Gedabek is now a thriving community and is the location of many diverse businesses. A new town community centre has been built together with other communal buildings. The Company actively promotes economic activity in the region and has sponsored activities such as beekeeping and carpet weaving.

Our growth strategy

Anglo Asian Mining has a well-developed growth strategy of transitioning in the medium term to become a mid-tier producer. Production will be from multiple sites with copper becoming the Group's principal commodity. Good progress has been made in 2024 with developing new mines. Gilar has started production and Demirli will start production in the second half of 2025. Longer term, the Xarxar and Garadag deposits have the resources to become major copper mines, and the Group has now published JORC mineral resources for these deposits.

Having operated successfully in Azerbaijan for over 20 years, the Company has developed high quality production and development assets. The acquisition of three new contract areas, Garadag, Xarxar, and Demirli, in July 2022 strengthened the foundation of our growth strategy and supports our evolution into a mid-tier copper producer. With the four key deposits in the Gedabek area now possessing JORC-compliant mineral resources estimates, the Company is focused on maintaining momentum with its long-term transition.

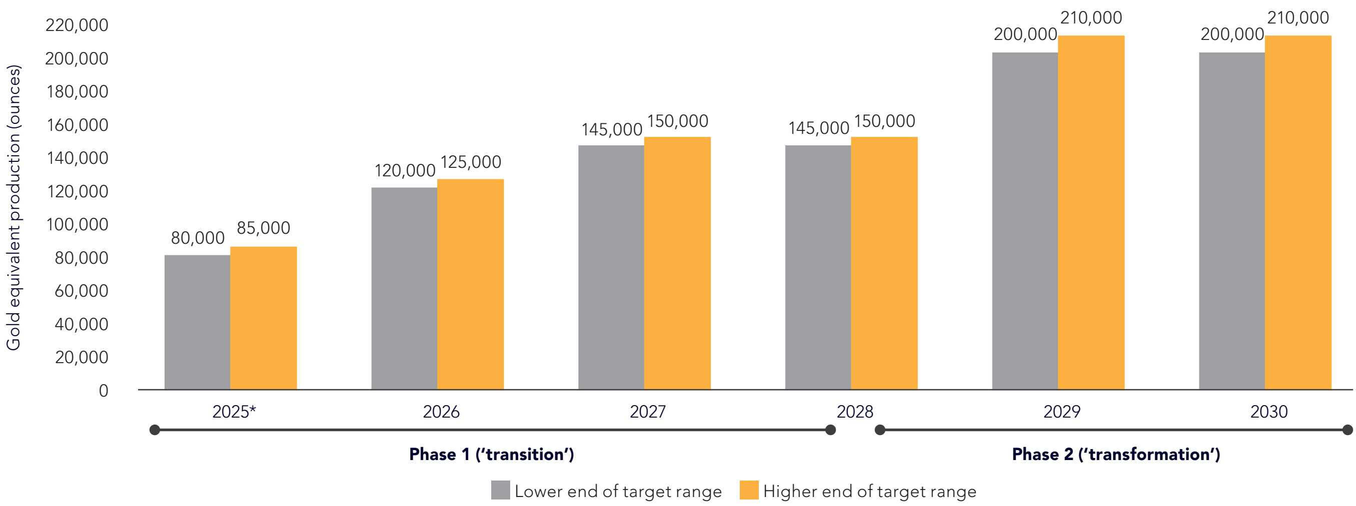
The growth strategy comprises two phases. In the initial phase ('transition'), the Company will manage production at the currently operating Gedabek and Gadir mines as they approach the end of their anticipated operational lives. Simultaneously in 2025, the Group will start production at two new mines, Gilar and Demirli. Xarxar is also scheduled to start production in 2027. Whether the Group will start mining from Zafar will depend upon the final mine life of the open pit.

The second phase ('transformation') will see the Company develop Garadag, which is projected to produce over 300,000 tonnes of copper and is expected to commence production in 2029.

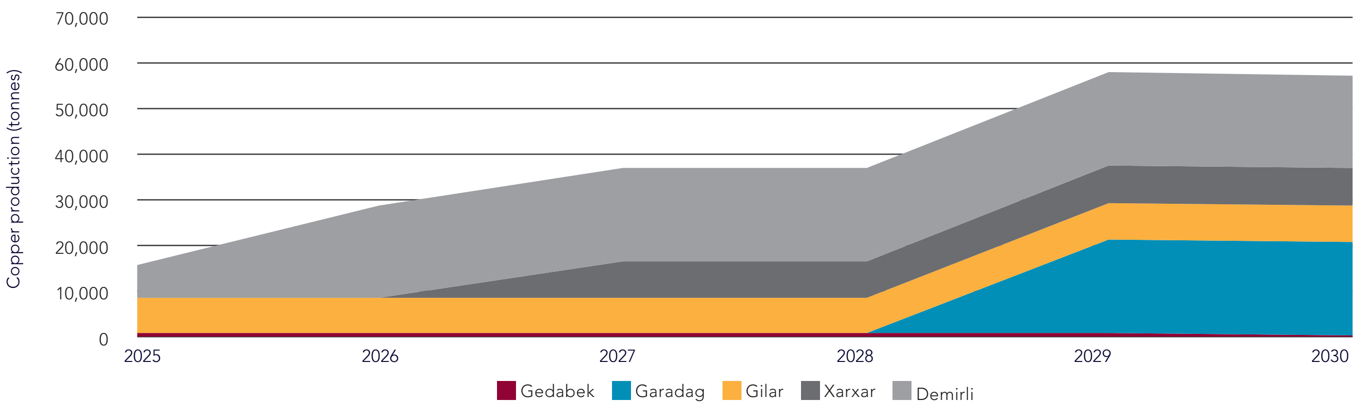
The Group has recently revised its production goal in gold equivalent ounces ("GEOs") to between 80,000 to 85,000 GEOs in 2025 and between 120,000 to 125,000 GEOs in 2026. This is due to the inclusion of production from Demirli for the first time in its strategic plan. The Group now targets a rise in copper production to 55,000 tonnes per annum from 2029 and 2030.

As part of its growth strategy, the Company's primary output will shift to copper from gold, with copper becoming the majority contributor to revenue by 2026. As a critical metal for the global energy transition, the board of Anglo Asian Mining is confident the Company's shift to copper production will generate sustainable, long-term value for all stakeholders.

Production target ranges (2025 to 2030)



Transition from gold to copper through new mine construction



* *These production amounts are from the Group's strategic plan. Guidance including Demirli has not yet been issued for the year ending 31 December 2025.*

Chairman's statement

"...we have now started our transition to a mid-sized mining company. We are looking forward to the future with confidence and have made a strong start to 2025."

Khosrow Zamani
Non-executive chairman

Although 2024 was a challenging year for Anglo Asian Mining, we have now started our transition to a mid-sized mining company. We are looking forward to the future with confidence and have made a strong start to 2025.

Production from agitation leaching and flotation was suspended in the first nine months of the year, whilst authorisation from the Government of Azerbaijan to raise the wall of the Gedabek tailings dam was obtained. The quality and integrity of the design and construction of our tailings dam wall were confirmed by external international consultants, and this difficult period is well behind us. We have completed the first of a two-stage raise of the tailings dam wall, and both agitation and flotation processing were fully restarted in the last quarter of 2024.

The Company continued to make progress on its growth plans. The expansion of our mineral resources was confirmed with the publication of the maiden Xarxar JORC mineral resources estimate in February 2024, followed by the maiden Garadag JORC mineral resources estimate, which was published on 24 September 2024. The first ore was extracted from the Gilar mine in March 2025 and production of ore from the mine started in May 2025. We now have access to Demirli, and have established a significant operation at the property, with a view to restarting production in the second half of 2025. We also took steps to strengthen our Environmental Social and Governance ('ESG') credentials, including the formation of a sustainability committee.

Production

Our production in the year continued to be severely impacted by the partial suspension of processing in the first three quarters of the year, resulting in total production for the full year of only 16,760 gold equivalent ounces ("GEOs"). This comprised predominantly 377 tonnes of copper and 15,073 ounces of gold. This was a major reduction compared to 2023, which included a full six months of agitation leaching and flotation processing, before operations were curtailed in the second half of 2023. However, we delivered a much stronger fourth quarter in 2024, with production of 8,450 GEOs as operations were fully restarted.

Raise of the Gedabek tailings dam wall

On 5 August 2024, due to the hard work of the many parties involved, we received authorisation from the Government of Azerbaijan to raise the wall of our Gedabek tailings dam. The first phase of construction, a 2.5 metre raise of the dam wall, was completed in November 2024. The second phase of the wall raise, which will raise it to its maximum design height, is on schedule to be completed in the second half of 2025.

Strategic growth plan

Our medium-term growth strategy remains intact, with the Gilar mine having started full production in May 2025. Production from Gilar will be a significant milestone towards the Company becoming a mid-tier, primarily copper producer, as it is the first new mine the Company will open since the Gedabek underground mine in 2020. Gilar will enable the Company to reverse the declining production of the last few years from its existing mines which are approaching the end of their lives. The Demirli mine is now also included in our strategic growth plan.

Demirli

The Group obtained access to the Demirli copper mine and production facility in 2024 and has now established a significant operation at the site and is working towards restarting production. A copper resource sufficient to justify restarting production has been identified. Various technical and logistical challenges need to be overcome in order to restart operations, including ensuring the mine and plant are fully operational and there is sufficient secure storage for its tailings. Demirli is a brownfield site which had been deliberately damaged and accordingly, as you would expect, unforeseen difficulties are being encountered. However, the Group is confident that production can be restarted in the second half of 2025.

Chairman's statement *continued*

Control room of the Gedabek processing plant

Commitment to sustainability

We remain committed to operating responsibly and upholding the highest industry standards of sustainability. During the year, we established a sustainability committee which oversees the development of our strategy and activities related to sustainable development and social responsibility. I would like to thank non-executive director Professor John Monhemius for chairing the committee, which will be instrumental in delivering real value through our activities inside and outside the Company.

We continue to prioritise environmental stewardship, community engagement and robust Environmental, Social and Governance ("ESG") practices. For the second year, we are disclosing our climate-related risks and opportunities in line with the Task Force on Climate-related Financial Disclosures ('TCFD') reporting framework. This reflects our commitment to sustainable operations and is in line with best practice reporting standards for UK-listed companies.

Revision of the Production Sharing Agreement

During the year, our production sharing agreement ("PSA") was revised, with AzerGold Closed Joint Stock Company ("AzerGold CJSC") replacing the Ministry of Ecology and Natural Resources as the local party to the PSA. Our collaboration with AzerGold CJSC, with their extensive local experience and contacts and expertise, is already benefiting the Company.

Libero Copper & Gold Corporation ("Libero")

Our shareholding in Libero remained unchanged throughout the year. However, our interest in Libero was significantly diluted in early 2024 following a major fund raising in which we did not participate. Libero ceased to be an associate company after the fund raising and is now classified as an equity investment. We still believe Libero has the ability to create shareholder value.

Dividend and going concern

The Company continued to make losses in the year due to the partial suspension of operations and therefore does not intend to pay a final dividend. The directors fully intend to resume dividend payments once conditions allow. Given that the Group is now back in full production and its operations are cash generative, the financial statements do not contain any material uncertainties as to going concern.

Annual General Meeting ("AGM")

We encourage shareholders to attend our AGM for 2025, details of which are set out on pages 115 and 116 of the annual report. The directors welcome all shareholders to attend and look forward to meeting as many of you as possible. At the AGM for 2024, we gave shareholders a detailed presentation about the Company. We believe this presentation was well received and a further such presentation will be made at the AGM for 2025.

Rectification of technical issues regarding distributable reserves

Certain administrative technical issues have come to light with the Company's distributable reserves following receipt of a letter from the Financial Reporting Council, none of which have any impact on the Company's current trading or dividend policy. These issues can only be resolved after the shareholders approve the Group's annual financial statements for 2024. Full details will be contained in a circular and notice of general meeting which will be sent to shareholders as soon as practicable after the conclusion of the AGM for 2025.

Summary and outlook

With the significant challenges of the last two years behind us, the board is confident Anglo Asian Mining will now enter a period of sustained growth and value creation. Our strong pipeline of assets, expanding copper production and disciplined financial management provide a solid foundation for delivering long-term shareholder value.

2025 will be a much better year for the Company. We have made a strong start to the year. The Gilar mine has started production and our production guidance for 2025 underscores this with copper output expected to increase considerably to between 6,500 and 6,800 tonnes together with 28,000 to 33,000 ounces of gold. We are working to restart production at Demirli later this year, and production from Demirli in 2025 will be in addition to our already published guidance.

Appreciation

I would like to extend my gratitude to all Anglo Asian Mining employees, partners and the Government of Azerbaijan for their continued support. I would also like to thank our shareholders for their unwavering commitment to Anglo Asian Mining during what has been a challenging time. We are now delivering on our strategic goals, and I look forward to a much better 2025.

Khosrow K. Zamani

Khosrow Zamani

Non-executive chairman

21 May 2025

President and chief executive's review

"Our operation produced a respectable performance given the circumstances, reflecting the resilience of the Company in the face of the challenges."

Reza Vaziri

President and chief executive

I am pleased to report our results for 2024, a year in which we have overcome many challenges and laid the foundation for future growth. Our operation produced a respectable performance given the circumstances, reflecting the resilience of the Company in the face of the challenges. While the partially suspended operations severely reduced our production in 2024, we were delighted to achieve a full restart of operations during November and deliver a strong fourth quarter performance.

Operational review

Total production for the year was 16,760 gold equivalent ounces ("GEOs"), compared to 31,821 GEOs in 2023. Copper production totalled 377 tonnes, compared with 2,138 tonnes in 2023, while gold production totalled 15,073 ounces, compared with 21,758 ounces in 2023.

We took the opportunity of the shutdown of agitation leaching and flotation processing to undertake extensive renovation and refurbishment of our plants. This proved beneficial to our operations and no significant issues have arisen with our flotation and agitation leaching processing plants since their restart in the fourth quarter of 2024.

Development of the Gilar mine continued throughout 2024. The tunnelling encountered worse ground conditions than anticipated, which required the use of shotcrete and reinforced roof supports which unfortunately delayed its development. However, we were very pleased that the first ore was extracted in March 2025 and the mine started production in May 2025. The surface infrastructure is now complete and includes a heavy equipment maintenance workshop. Our new Caterpillar mining fleet is now fully operational.

We made important progress with our development portfolio. In February 2024, the maiden JORC mineral resources estimate of Xarxar was published. This confirmed that Xarxar contains 24.9 million tonnes of mineralisation with average grades of 0.48 per cent. copper which equates to over 100,000 tonnes of copper in the ground. On 24 September 2024, the maiden JORC mineral resources estimate of Garadag was published which showed the deposit contains 285 million tonnes of mineralisation with an average grade of 0.32 per cent. copper. This is approximately 900,000 tonnes of copper. The Group now has, in total, a JORC minerals resource of over one million tonnes of copper. Xarxar and Garadag are significant pillars in our ability to transition to a copper focused producer.

We obtained restricted access to Demirli in 2024 and a significant operation has been established at the site. We are progressing well towards restarting production at Demirli.

We decided not to take part in Libero Copper & Gold Corporation's ("Libero") fundraise in January 2024. This decision reflected the Company's priorities and cash requirements. Our shareholding as a result reduced to 5.7 per cent., with Michael Sununu resigning from Libero's board in February 2024.

Tailings storage and the restart of production

We received, on 5 August 2024, authorisation from the Government of Azerbaijan to raise our tailings dam wall at Gedabek. The first raise of 2.5 metres was completed in November with the full raise on schedule to be completed in the second half of 2025. We have also returned to full production with the agitation leaching processing plant and flotation processing fully restarting in the fourth quarter. The plants are processing ore from our existing mines and stockpiles until ore is available from Gilar.

Financial review

Revenues in the year were $39.6 million compared to $45.9 million in 2023. Revenues include gold bullion sales of 15,251 ounces at an average price of $2,432 per ounce and total copper concentrate sales of 1,519 dry metric tonnes valued at $2.5 million.

The Company did not hedge any of its gold bullion production in the year. 1,600 ounces of gold in respect of hedges entered into in 2023 were closed in the year, resulting in a small loss compared to the spot price of gold at the date of closure of the hedges.

The Company incurred a loss before tax of $21.3 million compared with a loss in 2023 of $32.0 million. This loss was incurred due to the partial suspension of processing throughout most of the year and higher finance costs.

The Group will not report an All-In Sustaining Cost ("AISC") of gold produced for 2024. The Group's costs in 2024 include substantial non-production costs, such as maintaining the idle plant and Gedabek site, and the cost of the Gedabek workforce, many of whom were placed on administrative leave. The AISC metric is therefore not meaningful for 2024.

President and chief executive's review *continued*

Financial review continued

Following a refinancing by Libero in early 2024, in which Anglo Asian Mining did not participate, our holding in Libero fell to 5.7 per cent. in February 2024 and it ceased to be an associate company. Since February 2024, Libero has been accounted for as an equity investment. A total net profit of $0.2 million was recognised in the year in respect of Libero as an associate company and trade investment.

The Company had net debt (excluding lease liabilities) of $14.7 million at 31 December 2024 and saleable inventory of 1,055 ounces of gold with a market value of approximately $2.8 million.

In May 2024, the Company signed a vendor financing facility with Caterpillar Financial Services Corporation to refinance $3.7 million of the purchase price of the Caterpillar mining fleet purchased in 2023. The facility was fully drawn down in August 2024. The Group also consolidated loans totalling $5.0 million with the International Bank of Azerbaijan into one loan which was renewed for one year until May 2025.

In June 2024, the Company entered into a prepayment agreement with Trafigura Pte Ltd ("Trafigura") for copper concentrate sales totalling $5.0 million. A $3.0 million prepayment was received in June but was repaid before the end of the year. A further $5.0 million prepayment was received in February 2025. We are currently in negotiations to provide a copper concentrate sale prepayment facility for the Demirli plant.

Revenues from production at Gedabek throughout the year 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 for our operations at Gedabek.

Environmental, Social and Governance ("ESG")

Sustainability is deeply embedded across our operations. Our sustainability activities are overseen by Anglo Asian Mining's sustainability committee, chaired by Professor John Monhemius, which was established during the year. The Committee ensures our operations are sustainable and produce value for all stakeholders, including local communities. To this end, we appointed a new community engagement manager during the year, who is strengthening the communication and engagement between Anglo Asian Mining and local communities.

Anglo Asian Mining is one of the largest employers in Azerbaijan, with nearly 1,000 employees, and we recognise our wider responsibilities to them and the local community by participating in community development through various outreach programs, including medical assistance, food aid, and environmental initiatives such as tree planting. We were pleased in the year to publish updated policies for health and safety, business conduct, ethics and anti-bribery, and environment and climate, which summarise and communicate our strict sustainability and responsible business practices.

We are proud to be committed to implementing the Global Industry Standards on Tailings Management ('GISTM') across our operations and we will continue to work towards full alignment with these standards, aiming to confirm our full compliance with these standards by the end of 2026.

Looking ahead

With Gilar having started production in May 2025, and significant progress being made in 2024 and 2025 to date across our developmental asset portfolio, we remain confident that we are well placed to deliver growth in the medium term, ultimately transitioning into a copper focused, mid-tier miner. We have made a strong start to 2025.

We were delighted to provide guidance earlier this year, expecting 2025 to see our highest ever copper production at 6,500 to 6,800 tonnes, and also anticipate gold production of 28,000 to 33,000 ounces. This guidance contains no production from Demirli and guidance will be updated once the operation is restarted in 2025.

I would like to thank our teams for their commitment and hard work, which have been instrumental in advancing our performance across all operations. I am confident these efforts will enable us to achieve sustainable growth over the coming year and beyond in line with our strategic growth plan.

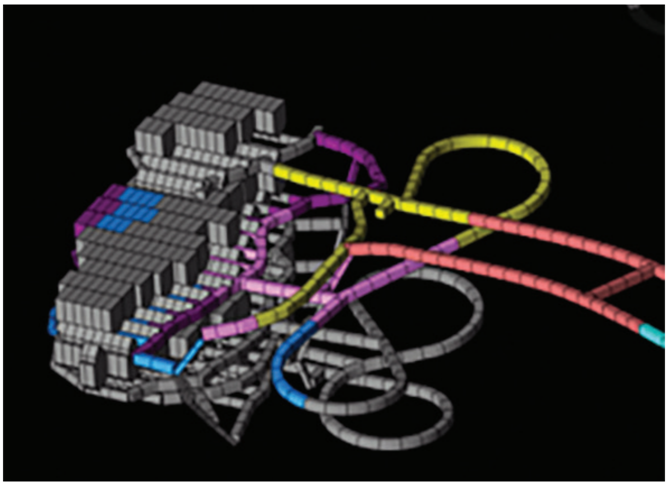
We will continue to deliver meaningful value for our stakeholders and attractive shareholder returns as we execute our growth strategy.

Reza Vaziri
President and chief executive
21 May 2025

New Gilar underground mine

Gilar is a major new underground copper and gold mine in the Gedbek contract area. Its first ore was extracted in March 2025, and it started production in May 2025. A Caterpillar mining fleet for Gilar, consisting of three R1700 underground loaders and two 9800 UMA underground loaders, was acquired in late 2023.

Portal of the new Gilar mine



Schematic design of the mine

Underground drill machine

Underground mining fleet

Production tunnel

Mineral resources of Gilar

The maiden JORC mineral resources estimate for the Gilar deposit confirmed 6.10 million tonnes of mineralisation with average grades of 0.88 per cent. copper and 1.30 grammes of gold per tonne. The in-situ mineral resources are 54,000 tonnes of copper, 255,000 ounces of gold and 46,000 tones of zinc.

Strategic report

"The Group has a substantial portfolio of greenfield assets that lay the foundation for future growth of the business."

Reza Vaziri
President and chief executive

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 has a substantial portfolio of greenfield assets that lay the foundation for future growth of the business. Gilar, Zafar, Xarxar and Garadag all host significant ore deposits which contain total JORC mineral resources (measured, indicated and inferred) of over one million tonnes of copper and 328,000 ounces of gold.

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

A further amendment was made to the PSA which replaced the local party to the PSA, the Ministry of Ecology and Natural Resources, with AzerGold Closed Joint Stock Company ("AzerGold CJSC"). Minor amendments were also made in respect of the use of facilities for the Kyzlbulag, Demirli and Vejnaly Contract Areas. These amendments were passed into law in Azerbaijan on 21 June 2024.

Contract Areas in Azerbaijan
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. Gilar, a major new underground mine, extracted its first ore in March 2025 and started production in May 2025. The Zafar deposit is also situated at Gedabek. Development of Zafar started in 2023 but was stopped in mid-2023. The Group's processing facilities are also located at Gedabek.
- **Demirli.** Located in Karabakh and is adjacent to the Kyzlbulag Contract Area which it extends to the northeast. It hosts a copper and molybdenum mine and a processing plant.
- **Xarxar.** Located adjacent to the Gedabek and Garadag Contract Areas and hosts the Xarxar deposit. It is likely part of the same mineral system.
- **Garadag.** Located to the north of Gedabek and Xarxar and hosts the large Garadag copper deposit.
- **Gosha.** Located approximately 50 kilometres from Gedabek and hosts a narrow-vein gold and silver mine.
- **Vejnaly.** Situated in the Zangilan district of Azerbaijan and hosts the Vejnaly deposit.
- **Ordubad.** An early-stage gold and copper exploration area located in the Nakhchivan exclave of Azerbaijan.
- **Kyzlbulag.** Situated in Karabakh and hosts the Kyzlbulag mine.

The Gedabek, Xarxar, Garadag and Gosha Contract Areas form a contiguous territory totalling 1,408 square kilometres. The Group currently has limited access to the Demirli Contract Area and no access to the Kyzlbulag Contract Area. The PSA will only commence in respect of these two Contract Areas upon notification by the Government of Azerbaijan to the Group that it is safe to grant full access to the district in which the Contract Areas are located.

Overview of 2024
The Group's strategy is to transition into a mid-tier, copper focused producer, which will be achieved through developing its considerable assets. Production from the Group's agitation leaching and flotation plants had been suspended in late 2023 whilst permission was being obtained for a final raise of the tailings dam wall. The suspension of these processing plants continued into 2024. The permission to raise the tailings dam wall was obtained on 5 August 2024. Agitation leaching restarted production in September 2024 and flotation processing restarted production in November 2024. Limited production of gold doré and copper continued throughout 2024 by heap leach and SART processing. Only limited mining took place but development of the Gilar mine continued throughout the year.

Despite the limited production during the year and the associated strong focus on cost control, the Group continued to make progress on its development and in strengthening its Environment Social and Governance ("ESG") credentials. A sustainability committee was established during 2024.

Portal of the new Gilar mine

Gilar mine development
Gilar mine development continued throughout the year and was substantially completed by the end of 2024. The surface infrastructure supporting the tunnelling was also completed in 2024.

Commitment to Global Industry Standard on Tailings Management
In January 2024, the Group committed to implement the Global Industry Standard on Tailings Management ("GISTM") at its operations at Gedabek.

Libero Copper & Gold Corporation ("Libero")
In February 2024, Michael Sununu, a non-executive director of the Company, resigned from the board of Libero. This followed the Group's holding in Libero decreasing to approximately 5.7 per cent. Libero also ceased to be an associate company of the Group in February 2024.

Xarxar maiden JORC mineral resources estimate
On 20 February 2024, the maiden JORC mineral resources estimate for the Group's Xarxar copper deposit was published, confirming 24.9 million tonnes of mineralisation with average grades of 0.48 per cent. copper.

Establishment of a sustainability committee
In March 2024, a sustainability committee for the Group was established chaired by Professor John Monhemius.

Vendor financing facility agreement with Caterpillar Financial Services Corporation
In May 2024, the Group's subsidiary, Azerbaijan International Mining Company Limited, signed a vendor financing facility agreement with Caterpillar Financial Services Corporation for $3.7 million. On 26 August 2024, the proceeds of the loan of $3.7 million were received.

Climate Change and Task Force on Climate-related Financial Disclosures ("TCFD")
In June 2024, the Group included in its annual report for 2023, its first detailed report on climate-related risks and opportunities in accordance with the TCFD recommendations. This report also contained detailed information regarding the Group's energy use and greenhouse gas emissions.

Prepayment agreement for the sale of concentrate
In June 2024, the Group's subsidiary, Azerbaijan International Mining Company Limited, entered into a prepayment agreement totalling $5.0 million in respect of its sales of copper concentrate with Trafigura Pte Ltd. $3.0 million of the prepayment was drawn down in June 2024. The $3.0 million prepayment was repaid shortly before 31 December 2024.

Production Sharing Agreement ("PSA")
In June 2024, the Group's production sharing agreement ("PSA") was revised, with AzerGold CJSC replacing the Ministry of Ecology and Natural Resources as the local party to the PSA. Various other minor amendments were also made to the PSA.

Access to Demirli
In June 2024, limited access to the Demirli mine and plant in Karabakh was obtained. The Group started extensive studies of the property with a view to restarting production.

Authorisation to raise the wall of the tailings dam
On 5 August 2024, the Group received authorisation from the Government of Azerbaijan to raise the wall of the Gedabek tailings dam. Confirmation was also received that the proposed construction work complied with all health and safety requirements. Work on the wall raise started immediately. The first stage of the two-stage wall raise was completed in November 2024.

Garadag maiden JORC mineral resources estimate
On 24 September 2024, the maiden JORC mineral resources estimate for the Garadag copper deposit was published confirming a total resource (Indicated and Inferred categories) of approximately 900,000 tonnes of copper metal hosted in 285 million tonnes of mineralisation with average grades of 0.32 per cent. copper.

Restart of agitation leaching and flotation production
In September 2024, production was restarted from the Group's agitation leaching plant. In November 2024, production was restarted from its flotation plant.

Strategic report *continued*

Production guidance for full year 2025 ("FY 2025")

The Group published its production guidance for FY 2025 on 26 February 2025 as follows:

	Unit	Full year 2024 actual	Full year 2025 production guidance*
Gold production	Ounces	15,073	28,000 to 33,000
Copper production	Tonnes	377	6,500 to 6,800
Turnover†	$ million	$39.6	110 to 125
EBITDA††	$ million	$(5.4)	45 to 55

The Group will no longer report headline production guidance in gold equivalent ounces ("GEOs") as copper is becoming an increasingly significant part of the Group's production. Significant movements in the ratio of the gold to the copper price in the year can also make reported actual production misleading compared to guidance.

To aid comparison, the Group's production guidance for FY 2025 calculated as GEOs is as follows:

Metal	Unit	Full year 2024 actual production	Full year 2025 production guidance*
Gold**	Ounces	15,073	28,000 to 33,000
Copper**	Tonnes	377	6,500 to 6,800
Total	**GEOs**	**16,760**	**49,000 to 55,000**

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

** *The guidance and gold equivalent ounces have been computed using a gold price of $2,800 per ounce and a copper price of $9,000 per tonne.*

† *Turnover is sale proceeds of the Group's share of production. The Group's share of production is assumed to be 87.25 per cent. for 2025.*

†† *EBITDA is defined as earnings before Interest, tax, depreciation and amortisation.*

The above production guidance excludes any production in 2025 from Demirli.

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 resource and ore reserve estimates are produced both in accordance with the JORC (2012) code ("JORC") and as non-JORC compliant internal estimates.

Internal Group estimates have been prepared, in accordance with JORC procedures, of the remaining mineralisation of the Gedabek open pit, the Gedabek underground mine and the Gadir underground mine as at 1 January 2025. These are set out in Tables 1 to 3 respectively.

A final JORC mineral resources estimate of the Zafar deposit at 30 November 2021 is set out in Table 4. A maiden JORC mineral resources estimate of the Gilar deposit at 30 November 2023 was published on 11 December 2023 and is set out in Table 5. A maiden JORC mineral resources estimate of copper in the Xarxar deposit at January 2024 was published on 20 February 2024 and is set out in Table 6.

The maiden JORC mineral resources estimate of copper in the Garadag deposit at July 2024 was published on 24 September 2024 and is set out in Table 7. Table 8 sets out the Soviet mineral resources estimate for the Vejnaly deposit. Table 9 sets out an internal Group estimate of the remaining mineral resources of the Demirli deposit classified according to the JORC standard at 1 January 2025.

Table 1 – Internal Group estimate of the remaining mineralisation of the Gedabek open pit in accordance with JORC at 1 January 2025

		In-situ grades				Contained metal			
	Tonnage (tonnes)	Gold (g/t)	Copper (%)	Silver (g/t)	Zinc (%)	Gold (koz)	Copper (t)	Silver (koz)	Zinc (t)
Measured and indicated	5,395,400	0.37	0.34	4.34	0.18	64	18,086	753	9,525
Inferred	226,575	0.55	0.17	2.58	0.09	4	388	19	208
Total	**5,621,975**	**0.38**	**0.33**	**4.27**	**0.17**	**68**	**18,474**	**772**	**9,733**

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

All tonnages reported are dry metric tonnes.

Table 2 – Internal Group estimate of the remaining mineralisation of the Gedabek underground mine in accordance with JORC at 1 January 2025

		In-situ grades				Contained metal			
	Tonnage (tonnes)	Gold (g/t)	Copper (%)	Silver (g/t)	Zinc (%)	Gold (koz)	Copper (t)	Silver (koz)	Zinc (t)
Measured and indicated	348,933	1.33	0.05	13.46	0.44	15	191	151	1,539
Inferred	3,712	1.22	0.10	8.94	0.83	—	4	1	31
Total	**352,645**	**1.33**	**0.06**	**13.41**	**0.45**	**15**	**195**	**152**	**1,570**

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

All tonnages reported are dry metric tonnes.

Table 3 – Internal Group estimate of the remaining mineralisation of the Gadir underground mine in accordance with JORC at 1 January 2025

		In-situ grades				Contained metal			
	Tonnage (tonnes)	Gold (g/t)	Copper (%)	Silver (g/t)	Zinc (%)	Gold (koz)	Copper (t)	Silver (koz)	Zinc (t)
Measured and indicated	15,483	2.38	0.64	23.97	0.52	1	99	12	81
Inferred	—	—	—	—	—	—	—	—	—
Total	**15,483**	**2.38**	**0.64**	**23.97**	**0.52**	**1**	**99**	**12**	**81**

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

All tonnages reported are dry metric tonnes.

Table 4 – Final JORC mineral resources estimate of the Zafar deposit at 30 November 2021

Copper > 0.3 per cent. copper equivalent

		In-situ grades			Contained metal		
	Tonnage (million tonnes)	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.

All tonnages reported are dry metric tonnes.

Table 5 – Maiden JORC mineral resources estimate of the Gilar deposit at 30 November 2023

Reporting cut-off >= 0.5 grammes per tonne of gold equivalent*

		In-situ grades			Contained metal		
	Tonnage (million tonnes)	Gold (g/t)	Copper (%)	Zinc (%)	Gold (koz)	Copper (kt)	Zinc (kt)
Measured	3.88	1.49	1.08	0.91	186.06	42.09	35.43
Indicated	2.02	1.00	0.56	0.48	64.80	11.30	9.77
Measured and indicated	**5.90**	**1.32**	**0.90**	**0.77**	**250.86**	**53.39**	**45.20**
Inferred	0.20	0.70	0.26	0.26	4.38	0.50	0.51
Total	**6.10**	**1.30**	**0.88**	**0.75**	**255.24**	**53.89**	**45.72**

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

All tonnages reported are dry metric tonnes.

* *Gold equivalent calculation = Gold g/t plus (copper per cent.*1.49) plus (zinc*0.46). The metal price assumptions used were Gold – $1,675 per ounce; Copper – $8,000 per tonne; Zinc – $2,500 per tonne.*

Strategic report *continued*

Mineral resources and ore reserves continued

Table 6 – Maiden JORC mineral resources estimate of copper in the Xarxar deposit at January 2024

Reporting cut-off >= 0.2 per cent. copper.

	Mineral resources estimate of copper in the Xarxar Deposit by oxidation domain								
	Indicated			Inferred			Indicated and inferred*		
Domain	Tonnes (mt)	Grade (%)	Metal (kt)	Tonnes (mt)	Grade (%)	Metal (kt)	Tonnes (mt)	Grade (%)	Metal (kt)
Oxide	5.2	0.55	28.5	0.8	0.66	5.2	5.9	0.57	33.7
Sulphide	16.8	0.46	77.9	2.1	0.35	7.6	18.9	0.45	85.5
Total	**22.0**	**0.48**	**106.3**	**2.9**	**0.44**	**12.8**	**24.9**	**0.48**	**119.1**

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

All tonnages reported are dry metric tonnes.

* *Measured resources were nil due to insufficient third-party quality assurance and quality control ("QAQC") drill core assays being carried out. Further QAQC drill core assays will be carried out.*

Table 7 – Maiden JORC mineral resources estimate of copper in the Garadag deposit at July 2024 by domain

		Indicated			Inferred			Indicated and inferred		
Domain	Cut-off	Tonnes (Mt)	Grade (Cu %)	Metal (kt)	Tonnes (Mt)	Grade (Cu %)	Metal (kt)	Tonnes (Mt)	Grade (Cu %)	Metal (kt)
0 (un-mineralised)	0.13%	—	—	—	—	—	—	—	—	—
1 (leach)	0.13%	—	—	—	—	—	—	—	—	—
3 (enriched)	0.13%	45.8	0.45	205.6	68.9	0.42	285.9	114.7	0.43	491.5
5 (primary)	0.13%	41.1	0.24	98.7	129.1	0.24	306.7	170.2	0.24	405.4
Total		**86.9**	**0.35**	**304.3**	**198**	**0.30**	**592.6**	**284.9**	**0.32**	**896.9**

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

All tonnages reported are dry metric tonnes.

Table 8 – Soviet mineral resources estimate of the Vejnaly deposit

		Metal content		
	Units	Category C1	Category C2	**Total C1 and C2**
Ore	Tonnes	181,032	168,372	**349,404**
Gold	Kilogrammes	2,148.5	2,264.2	**4,412.7**
Silver	Kilogrammes	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 9 – Internal Group estimate of the remaining mineral resources of the Demirli deposit classified according to the JORC standard at 1 January 2025

	Ore tonnage (tonnes)	In-situ grades Copper (%)	Contained metal Copper (tonnes)
Measured	5,500,000	0.46	25,300
Indicated	9,508,981	0.45	41,946
Inferred	27,779,596	0.37	102,722
Non-classified	15,559,433	0.44	68,998
Total	**58,348,010**	**0.41**	**238,966**

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

All tonnages reported are dry metric tonnes.

The above mineral resources estimate for Demirli is only in respect of the mineral resources below the current open pit and does not include further resources in the surrounding area.

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 Group's processing facilities. Two new underground mines, Zafar and Gilar, are in the developmental stage at Gedabek. The development of Gilar is almost complete with its first ore extracted in March 2025 and production started in May 2025. One portal of the Zafar mine has been constructed but no further development is currently being carried out.

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 now form one continuous underground system of tunnels.

Initial gold production was by heap leaching, with copper production beginning in 2010 from the Sulphidisation, Acidification, Recycling and Thickening ("SART") plant. The Group's agitation leaching plant commenced production in 2013 and its flotation plant in 2015. From the start of production to 31 December 2024, approximately 825 thousand ounces of gold and 21 thousand tonnes of copper have been produced at Gedabek.

Environmental study and Micon report

Micon International Co Limited ("Micon") undertook a health, safety and environmental due diligence review of tailings management at Gedabek in July 2023. No significant environmental contamination was found. The final Micon report contained various recommendations to improve some operational, social and safety aspects of the Gedabek operations. In November 2023, the Group agreed an action plan with the Government of Azerbaijan (the "Action Plan") to address these recommendations.

The recommendations of the Action Plan included improving the Gedabek emergency response capability, strengthening its environmental monitoring and documentation and how the Group engages and communicates with local communities. Implementation of the recommendations continued satisfactorily during the year with all short-term recommendations completed in 2024. The Government of Azerbaijan receives frequent updates on the status of the recommendations.

Gedabek open pit and Gedabek and Gadir underground mines

The principal mining operation at 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.

Zafar mine development

The Zafar deposit was discovered in 2021 and is located 1.5 kilometres northwest of the existing Gedabek processing plant. Its final mineral resources estimate was published in March 2022 and is set out in Table 4 on page 15.

A mining scoping study for the Zafar mine was completed in February 2023 and development commenced. Two tunnels are planned, one for haulage and a parallel ventilation tunnel. One of the two portals required for the tunnels was constructed close to the existing Gedabek processing facilities and about one kilometre from the mineralisation. Five metres of haulage tunnel and 6.6 metres of ventilation tunnel had also been completed, prior to suspension of development.

Development of the Zafar mine was stopped in mid-2023 and resources diverted to development of the Gilar mine, following exceptional drill results from Gilar.

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.

A maiden JORC mineral resources estimate was published on 11 December 2023 and is set out in Table 5 on page 15.

The Gilar mine comprises two underground tunnels, a main production tunnel and a second tunnel for ventilation. A spiral accesses the ore body. The planned lengths of the production and ventilation tunnels are 1,461 metres and 774 metres respectively. The walls of the tunnels are supported by steel arches and shotcrete where necessary due to soft rock. Water encountered underground is being pumped from the mine into a settling pond constructed near the entrance to the mine. The development of Gilar was substantially completed in the first quarter of 2025 and the first ore extracted in March 2025. Gilar started production in May 2025.

Surface infrastructure comprises of a heavy equipment workshop, mine office facilities and technical support and services offices and a canteen. Security and safety fencing, a mine entrance area and power generator set foundations have also been constructed.

In December 2023, the Company took delivery of a new underground mining fleet supplied by Caterpillar for the mine. The fleet comprised three R1700 and two 980UMA underground loaders. This is the first time this type of underground equipment has been deployed in Azerbaijan.

Ore mined in 2024

Table 10 sets out all the ore mined at Gedabek for the year ended 31 December 2024.

Table 10 – Ore mined at Gedabek for the year ended 31 December 2024

	Total ore mined for the year ended 31 December 2024	
Mine	Ore mined (tonnes)	Average gold grade (g/t)
Gedabek open pit	443,611	0.73
Gadir underground	167,121	1.58
Total for the year	**610,732**	**0.96**

Mining at Gedabek was considerably reduced compared to previous years as agitation leaching and flotation processing were suspended for a substantial part of 2024.

Strategic report *continued*

Conveyor in the Gedabek processing plant

Gedabek continued

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 on 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. In this plant, a synthetic resin is used to selectively absorb the gold and silver from the slurry. The metal-loaded resin is then "stripped" of its gold and silver by desorption into another solution, from which the metals are recovered by electrolysis, followed by smelting to produce the doré metal, which comprises 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.

The Group's processing plants underwent extensive maintenance in 2023 and 2024 during the period when agitation leaching and flotation processing was suspended. Extensive refurbishment of the agitation and flotation plants was carried out, including installing a new hopper and redesigned pipework for the agitation leach plant to improve ore feed. The ball mills were relined and refurbished. Much of the work has improved safe working such as repairing minor leaks, installing new floors and improving ladders and gantries. Roof repairs have also been carried out where necessary. A substantial proportion of the exterior of the plant has been cleaned by shot blasting and repainted. Exterior pipework has also been cleaned or replaced as necessary.

Table 11 summarises the ore processed by leaching for the year ended 31 December 2024.

Table 11 – Ore processed by leaching at Gedabek for the year ended 31 December 2024

	Ore processed (tonnes)			Gold grade of ore processed (g/t)		
Quarter ended	Heap leach pad crushed ore	Heap leach pad ROM ore	Agitation leaching plant	Heap leach pad crushed ore	Heap leach pad ROM ore	Agitation leaching plant
31 March 2024	120,528	—	—	0.68	—	—
30 June 2024	110,225	9,698	—	0.59	0.52	—
30 September 2024	110,152	—	18,009	0.65	—	1.93
31 December 2024	79,835	—	128,387	0.53	—	1.54
Total for the year	**420,740**	**9,698**	**146,396**	**0.61**	**0.52**	**1.58**

Table 12 summarises ore processed by flotation for the year ended 31 December 2024.

Table 12 – Ore processed by flotation at Gedabek for the year ended 31 December 2024

Quarter ended	Ore processed (tonnes)	Gold content (ounces)	Silver content (ounces)	Copper content (tonnes)
31 March 2024	—	—	—	—
30 June 2024	—	—	—	—
30 September 2024	—	—	—	—
31 December 2024	73,990	285	3,985	363
Total for the year	**73,990**	**285**	**3,985**	**363**

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 early heap leached ore contains significant amounts of gold. This is now being reprocessed by agitation leaching. Table 13 sets out the previously heap leached ore processed for the year ended 31 December 2024.

Table 13 – Previously heap leached ore processed for the year ended 31 December 2024

	In-situ material (tonnes)	Average gold grade (g/t)
1 January 2024	311,988	0.8424
Processed in the year	(30,249)	1.0458
31 December 2024	**281,739**	**0.8206**

The in-situ material is calculated at a standard cutoff grade of > 0.8 grammes per tonne of gold.

Strategic report *continued*

Gedabek continued

Production and sales

For the year ended 31 December 2024, gold production totalled 15,073 ounces, which was a decrease of 6,685 ounces in comparison to the production of 21,758 ounces for the year ended 31 December 2023. Copper production for the year ended 31 December 2024 was 377 tonnes compared to 2,138 tonnes for the year ended 31 December 2023, a decrease of 1,761 tonnes. The lower production of gold and copper in 2024 compared to 2023 arose due to the suspension of agitation and flotation processing for a substantial part of 2024.

Table 14 summarises the gold and silver bullion produced from doré bars and sales of gold bullion for the year ended 31 December 2024.

Table 14 – Gold and silver bullion produced from doré bars and sales of gold bullion for the year ended 31 December 2024

Quarter ended	Gold produced* (ounces)	Silver produced* (ounces)	Gold sales** (ounces)	Gold sales price ($/ounce)
31 March 2024	2,259	1,512	3,925	2,080
30 June 2024	2,433	1,532	2,075	2,350
30 September 2024	2,955	1,979	3,220	2,497
31 December 2024	7,280	6,984	6,031	2,655
Total for the year	**14,927**	**12,007**	**15,251**	**2,432**

* *Including the Government of Azerbaijan's share.*

** *Excluding the Government of Azerbaijan's share.*

Table 15 summarises the total copper, gold and silver produced as concentrate by both SART and flotation processing for the year ended 31 December 2024.

Table 15 – Total copper, gold and silver produced as concentrate by both SART and flotation processing for the year ended 31 December 2024

	Copper (tonnes)			Gold (ounces)			Silver (ounces)		
Quarter ended	SART	Flotation	Total	SART	Flotation	Total	SART	Flotation	Total
31 March 2024	54	—	54	7	—	7	4,893	—	4,893
30 June 2024	46	—	46	5	—	5	4,809	—	4,809
30 September 2024	11	—	11	1	—	1	1,336	—	1,336
31 December 2024	17	249	266	2	131	133	3,549	1,664	5,213
Total for the year	**128**	**249**	**377**	**15**	**131**	**146**	**14,587**	**1,664**	**16,251**

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 2024.

Table 16 – Total copper concentrate (including gold and silver) production and sales from both SART and flotation processing for the year ended 31 December 2024

Quarter ended	Concentrate production* (dmt)	Copper content* (tonnes)	Gold content* (ounces)	Silver content* (ounces)	Concentrate sales**† (dmt)	Concentrate sales**† ($000)
31 March 2024	89	54	7	4,893	71	295
30 June 2024	77	46	5	4,809	260	1,002
30 September 2024	19	11	1	1,336	—	—
31 December 2024	1,672	266	133	5,213	1,173	1,493
Total for the year	**1,857**	**377**	**146**	**16,251**	**1,504**	**2,790**

* *Including the Government of Azerbaijan's share*

** Excluding the Government of Azerbaijan's share

† *These are invoiced sales of the Group's share of production before any accounting adjustments in respect of IFRS 15. The total for the year does not therefore agree to the revenue disclosed in note 6 – "Revenue" to the Group financial statements.*

Examination of geological samples

Infrastructure

The Gedabek Contract Area benefits from excellent infrastructure and access. The site is located adjacent to 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.

In the second half of 2023, the Group started working with the Government of Azerbaijan to obtain approval for a final raise of the tailings dam wall. In June 2024, the Government of Azerbaijan issued technical confirmation and a positive environmental report stating that the tailing dam wall was suitable for a final raise. On 5 August 2024, the Government of Azerbaijan issued approval for the wall raise to go ahead. A further 6.0 metres wall raise was authorised which will raise the wall to its final design height of 90 metres. The wall raise is being carried out in two back-to-back stages, and the first raise of 2.5 metres was completed in November 2024. The final wall raise of 3.5 metres is currently being carried out with completion expected in the second half of 2025. The final raise of the wall will give the dam enough capacity for the next two to three years of production.

Xarxar

The 464 square kilometre Xarxar Contract Area is located immediately north of the Gedabek Contract Area which it borders. The Xarxar Contract Area was acquired in 2022 together with historical geological and other data owned by AzerGold CJSC, its previous owner.

The Xarxar Contract Area hosts the Xarxar copper deposit. The mineralisation of the deposit is copper dominant and comprises mainly oxides and secondary sulphides, with minerals such as malachite, azurite, pyrite, chalcocite and bornite, together with some primary chalcopyrite, as common minerals in the deposit, and minor barite and magnetite minerals are also recorded. The main copper mineralisation lenses are located in the central part of the Xarxar deposit, with approximate east-west orientations.

No geological fieldwork was carried out during 2024 at Xarxar. Analysis continued of the drill core acquired from AzerGold CJSC. On 20 February 2024, a maiden JORC mineral resources estimate was published for the Xarxar deposit, which is set out in Table 6 on page 16.

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 the Gilar deposit to be fully mined.

Strategic report *continued*

Garadag

The 344 square kilometre Garadag Contract Area is situated four kilometres north of Gedabek alongside the road from Gedabek to Shamkir. Garadag was first explored during the Soviet era and has been extensively explored since then, most recently by AzerGold CJSC, its previous owner. The roads built for drill access are still accessible and serviceable on Garadag.

In 2022, the Group acquired historical geological and other data and associated reports (the "Data") in respect of Garadag from AzerGold CJSC for $3.3 million. The Data includes geochemical and geophysical data, including maps and interpretative reports. Substantial core drilling and data interpretations were carried out by AzerGold CJSC and the Data includes 9,645 chemical assays taken from 23,454 metres of drill core, which have been transferred to the Group. 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 out and is included in the Data.

No drilling or other geological fieldwork was carried out at Garadag in 2024. However, the Company continued to analyse the drill core obtained from AzerGold CJSC.

On 24 September 2024, the Company published a maiden JORC mineral resources estimate of the Garadag deposit at July 2024. This showed a total in-situ mineral resource (indicated and inferred) of 285 million tonnes of mineralisation containing 897 thousand tonnes of copper at an average grade of 0.32 per cent. This maiden JORC resource is set out in Table 7 on page 16.

Gosha

The Gosha Contract Area is 300 square kilometres in size and is situated in western Azerbaijan, 50 kilometres northwest of Gedabek. Gosha is regarded as under-explored. Gosha is the location of a small, 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 year ended 31 December 2024.

Geological fieldwork has resulted in the discovery of additional mineralisation adjacent to the existing underground mine. This includes "Hasan", a 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 Group 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 Contract Area, about seven kilometres from the Gosha mine, within the Asrikchay valley.

Vejnaly

Vejnaly is a 300 square kilometre Contract Area located in the Zangilan district in southwest Azerbaijan. It borders Iran to the south and Armenia to the west and hosts the Vejnaly deposit.

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 operations.

On 3 August 2023, staff were evacuated from Vejnaly on the instructions of the Government of Azerbaijan due to the potential danger from landmines. At 31 December 2024, staff had still not received formal permission from the Government of Azerbaijan to return to Vejnaly. Accordingly, no geological fieldwork was carried out at the site in 2024.

Ordubad

The 462 square kilometre Ordubad Contract Area is located in the Nakhchivan exclave, southwest Azerbaijan, and contains numerous targets. Limited geological exploration work was carried out in the year ended 31 December 2024.

Kyzlbulag

The Kyzlbulag Contract Area is 462 square kilometres and is located in Karabakh. 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. 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.

No work was carried out at Kyzlbulag in the year ended 2024 as the Group had no access to the Contract Area.

Demirli

The Demirli Contract Area is 74 square kilometres that extends to the northeast by about 10 kilometres from the Kyzlbulag Contract Area and contains the Demirli mining property. The Demirli mining property comprises an open pit mine, a processing plant and power infrastructure. The processing plant contains two rotary mills, a copper flotation plant and a molybdenum plant. The plant is generally in good order although various sections need replacement or refurbishment. The capacity of the plant is around 6.5 million tonnes per annum. There is also an upstream tailings dam located close to the plant.

The Group had restricted access to Demirli in the year ended 31 December 2024. The Group has started a comprehensive study to determine the work required and associated timeframe to bring the plant back into production. Various external consultants have also visited the site to carry out an environmental assessment and assessment of the suitability of the tailings dam for further use. The Group now has a small team based permanently at Demirli. The Group is also refurbishing the accommodation and laboratory facilities at the mine site.

A reverse circulation drilling programme was completed at Demirli in 2024 to determine the start-up resource of the mine. An internal Group estimate of the remaining mineral resources classified in accordance with JORC was 58.3 million tonnes of ore with an average copper grade of 0.41 per cent. copper containing 239 thousand tonnes of copper. This internal estimate is set out in Table 9 on page 16.

Geological exploration

Summary

- Minimal drilling was carried out in 2024 due to the strict cost control exercised throughout the year:
  - no exploration surface core drilling was carried out;
  - 52 reverse circulation drill holes were completed totalling 4,241 metres at the Gedabek open pit; and
  - geological work commenced at Demirli
    - 898 reverse circulation holes, drilled to a depth of 10 metres each, were completed totalling 8,980 metres
    - 8 surface geotechnical drill holes were completed totalling 313 metres
    - the geological work at Demirli was substantially completed in 2024.
- One underground geotechnical drill hole was completed with a total length 138 metres in the Gilar mine together with 443 metres of channel sampling of the tunnel walls.
- Maiden JORC mineral resources estimate of the Xarxar deposit was published on 20 February 2024.
- Scanning of the existing drill core of the Xarxar and Garadag deposits was carried out using TerraCore hyperspectral scanning technology. The results will be used to prepare 3-D alteration models of the deposits and support identification of the best metallurgical processes to treat the ore.
- Maiden JORC mineral resources estimate of the Garadag deposit at July 2024 was published on 24 September 2024.

Gedabek

Gedabek open pit mine

52 reverse circulation drill holes were completed with a total length of 4,241 metres to further define the ore zone. The drilling was mostly located in Pits 4, 5, 6, 8, 11 and 12 of the main open pit. The results confirmed the further extension of the gold-copper mineralisation.

Gedabek underground mine

A total of 706 metres of underground development with 250 channel samples was completed in the area below Pit 4. The aim of the development is to target production of ore between mining levels.

Gilar

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

One underground geotechnical core drill hole was completed with a total length of 138 metres. Channel sampling of the walls of the tunnel was carried out with 182 underground samples taken with a total length of 1,229 metres.

Zafar

The geology of the area is structurally complex, comprising mainly of Upper Bajocian-aged volcanics. The mineralisation seems to be associated with a main northwest to southeast trending structure, which is interpreted as post-dating smaller northeast to southwest structures. In the southwest 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 at Zafar in 2024. Comprehensive interpretation of the final results from the soil geochemical sampling programme has revealed a second anomaly similar to the original Zafar anomaly. This area has significant potential for future exploration.

Gosha

The Gosha mine was initially thought to consist of two narrow gold veins, zone 13 and zone 5. Mining has taken place from both veins. A further vein, "Hasan", has also been discovered located immediately south of zone 5, which it intersects at one point. The host rock mostly exhibits silicification and kaolinisation alteration, which changes to quartz-haematite alteration in andesite.

There was no geological exploration carried out at the Gosha mine in 2024.

Geological fieldwork activity was carried out at the Boyuk Gishlag mineralisation occurrence within the Gosha Contract Area. A total of 228 samples were collected from intensive hydrothermal altered outcrops.

Xarxar

A maiden mineral resources estimate was published for the Xarxar deposit on 20 February 2024 and is set out in Table 6 on page 16. This shows the deposit contains approximately 25 million tonnes of copper ore.

Scanning of the existing Xarxar drill core was undertaken during 2024 using TerraCore technology. After completion of the scans, a 3-D alteration model is prepared to identify further mineralisation and help identify the best metallurgical methods to process the ore. TerraCore scanning is hyperspectral scanning which enables identification of anomalies not visible to the naked eye. The scanning is being carried out by TerraCore staff in Azerbaijan using a TerraCore scanner imported into Azerbaijan. This is the first time hyperspectral scanning has been carried out in Azerbaijan.

Uluxanli

This is a new exploration area at Xarxar where a high-grade quartz gold vein has been discovered. The initial exploration phase which started in 2023 was completed in 2024. The results of the initial exploration phase were not positive.

Strategic report *continued*

Geological exploration continued

Garadag

No geological field work was carried out at Garadag in 2024. Scanning of the existing Garadag drill core was also undertaken using TerraCore technology. Extensive analytical work was also required for the preparation of the maiden JORC mineral resources estimate of the Garadag deposit. This was published on 24 September 2024 and is set out in Table 7 on page 16.

Cayir (Ashagi Cayir)

This is a new exploration area in the Garadag Contract Area. Geochemical testing was carried out in 2024 with 897 soil samples and 50 rock samples collected. 947 outcrop samples were also collected. Results indicate that the area warrants further exploration with positive results for gold, silver and occasionally copper. Alteration mapping and geophysical surveys were also completed. The result so far indicate that the area warrants further geological exploration.

Ordubad

1,470 metres of trenching were carried out in the Dirnis and Destabashi areas. Trenches were dug with a depth of 10 metres. Results show that mineralisation thickness increases by about 30 per cent. 10 metres below the surface.

Vejnaly

No geological fieldwork was carried out in 2024 as the Group did not have access to the Contract Area.

A "WorldView-3" study was completed by an independent company, "Exploration Mapping USA", and a map prepared identifying mineralisation targets. Once access to the Contract Area is restored, in-house geological fieldwork will start exploring known gold targets and targets identified by the "WorldView-3" study.

Demirli

Geological evaluation of the deposit commenced in 2024. The Demirli mine geological map was digitised and digitising historical drill hole data was carried out.

A reverse circulation drill programme commenced in 2024. 898 reverse circulation drill holes were completed to a depth of 10 metres each with a total depth of 8,980 metres. The purpose of the programme was to determine the remaining resource in the current open pit which will be the start-up resource. The start-up resource size has been estimated to be 58.3 million tonnes of ore with an average copper grade of 0.41 per cent. copper containing 239 thousand tonnes of copper. This internal estimate is set out in Table 9 on page 16.

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 the year ended 31 December 2024, the Group shipped all its gold doré to Switzerland for refining by MKS Finance SA. 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 6 to the Group financial statements. 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")

The Company's shareholding in Libero was reduced to 5.7 per cent. in February 2024 following a refinancing in which the Company did not participate. Michael Sununu also resigned from the Libero board in February 2024. Libero ceased to be an associated company from February 2024 and the Group's interest is held as an equity investment.

Further information can be found at 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 Euros, Azerbaijan Manats and United Kingdom Sterling. The Group does not currently hedge its exposure to other currencies, although it continues to review this periodically.

Demirli plant

Liquidity and interest rate risk

The Group utilised various credit lines from several banks in Azerbaijan throughout 2024. This was primarily to provide working capital during the partial suspension of the Group's operations. The banks loans were all at a fixed rate of interest and therefore the Group had no interest rate risk in respect of bank loans during 2024.

The Group also utilised a vendor financing facility which carries interest at a rate of CME Term SOFR plus a margin of 2 per cent. Given the size of the borrowing and relative stability of interest rates, the Group does not consider that this variable rate presents any material interest rate risk to the Group.

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 the global 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.

Reza Vaziri

President and chief executive

21 May 2025

Section 172(1) statement and stakeholder engagement

Section 172(1) statement*

The commentary and table below sets out the Company's Section 172(1) statement.

Introduction

The board of directors of Anglo Asian Mining PLC (the "Board") considers that it has adhered to the requirements of Section 172 of the Companies Act 2006 (the "Act") and, in good faith, acted in a way that it considers would be most likely to promote the success of the Company for the benefit of its shareholders as a whole. In acting this way, the Board has recognised the importance of considering all stakeholders and other matters as set out in section 172(1) (a to f) of the Act in its decision making.

The Board members are directors of Anglo Asian Mining PLC, a holding company for the Group. The Group carries out its business of mineral exploration and mining in Azerbaijan and elsewhere through its wholly owned subsidiaries and other investments. Given the nature and size of the Group, the Board considers it reasonable that executive decision making for the entire Group, including its subsidiaries in Azerbaijan, is the responsibility of the Board. The section 172(1) statement has accordingly been prepared for the entire Group.

The commentary and table on page 27 sets out the Company's section 172(1) statement. This statement provides details of key stakeholder engagement undertaken by the Board during the year and how this helps the Board to factor in potential impacts on stakeholders in the decision making process.

General

The Group promotes the highest standards of governance as set out in Corporate Governance on pages 48 to 51. The principles of Corporate Governance underpin how the Board conducts itself. The Board is very conscious of the impact that the Group's business and decisions has on its direct stakeholders as well as its societal impact. The Company operates to the highest ethical standards as discussed in Corporate Governance on pages 48 to 51.

Principal decisions and other key factors in maintaining shareholder value

For the year ended 31 December 2024, the Board considers that the following are examples of the principal decisions that it made in the year:

- consideration and agreement of the Group's budget for the year ending 31 December 2024;
- committing to implement the Global Industry Standard on Tailings Management ('GISTM') at its operations at Gedabek;
- establishment of a Group sustainability committee chaired by Professor John Monhemius;
- entering into a $3.7 million vendor financing facility to part refinance the purchase price of its Caterpillar underground mining fleet;
- refurbishing the production facility at Demirli with the aim of restarting production following obtaining access to the Contract Area in mid-2024;
- entering into a $5.0 million concentrate prepayment facility with a metal trader;
- agreement to the Government of Azerbaijan revising the Group's Production Sharing Agreement ("PSA") so that AzerGold Closed Joint Stock Company became the local party to the PSA;
- fully restarting production at the Gebabek production plant following obtaining permission to raise the wall of its tailing dam;
- changing the auditors of the Group from Ernst & Young LLP to BDO LLP for the year ending 31 December 2024;
- issuing production guidance for 2024 following recommencement of full production in late 2024; and
- continuing extensive investigation of the geological data obtained for the Garadag resource and publication of a JORC mineral resources estimate in September 2024.

The Group, like all companies operating in the extractive industries, is required to continually replace and increase its mineral reserves to maintain and improve the sustainability of its business. This concern is a high priority of the Board. To address this priority, the Company has an active geological exploration campaign at its Contract Areas to which it has access. The Board monitors the campaign through regular reports and site visits by directors whenever possible.

The Board, together with their immediate families, and senior managers of the Company hold in total approximately 44 per cent. of the shares of the Company with the remainder held by a wide range of individual and institutional shareholders. The Board is extremely mindful that all shareholders must be treated equally. This is reflected in the Board's behaviour to ensure decisions do not disadvantage external shareholders compared to the interests of the directors and senior management and that external shareholders are fully informed of all Company developments in a timely manner.

Engagement with key stakeholders

The table on page 27 sets out the Board's key stakeholders and provides examples of how the Board engaged with them in the year as well as demonstrating stakeholder consideration in the decision-making process. However, the Board recognises that, depending on the nature of an issue, the interests of each stakeholder group may differ. The Board seeks to understand the relative interests and priorities of each stakeholder and to have regard to these, as appropriate, in its decision making. However, the Board acknowledges that not every decision it makes will necessarily result in a positive outcome for all stakeholders

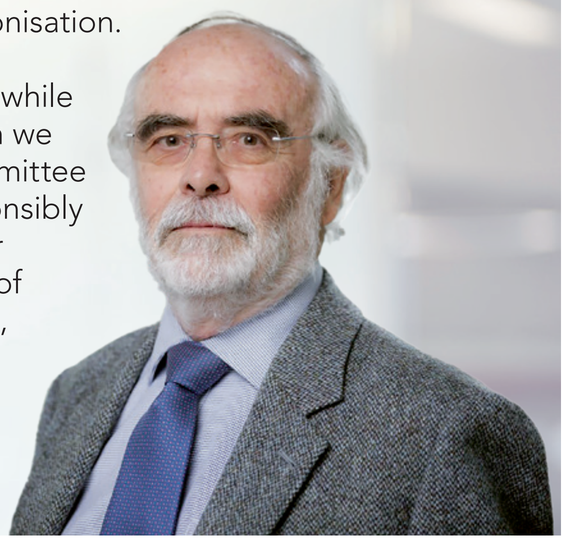
* *This Section 172(1) statement forms part of the Group's strategic report and is incorporated by reference.*

Stakeholder	How the Board has approached their engagement	How the Board has taken their interests into account
Shareholders	The Board aims to provide clear and timely information to its shareholders which gives an honest and transparent view of the performance of the business.	The Board maintains a dialogue with external shareholders and keeps them informed in a variety of ways as set out in section 10 of Corporate Governance on pages 50 and 51.
Customers	The Board aims to maintain a mutually beneficial relationship based on trust through a continuous dialogue with each of its customers.	Visits to its customers by senior staff are undertaken and visits are made by customers to the Company in Azerbaijan to show them the Group's production facilities. The Company maintains a continuous dialogue with its customers regarding the technical specifications of its products to ensure the most beneficial sales terms are obtained for both parties.
Suppliers	The Board has ensured an appropriately qualified and professional procurement department is in place which maintains close contact with all suppliers. All procurement is carried out via a transparent tender process. For specialised goods and services, senior management will maintain a dialogue with the supplier and report their engagement to the Board.	All significant purchases are discussed with suppliers and prices and delivery terms agreed which are mutually beneficial to both parties. Technical staff work in close collaboration with suppliers of specialist services to ensure the supplier provides the highest quality service to the Company within the commercial terms of the contract.
Employees	The Board has mandated a mainly informal approach to engage with employees in light of their number and to ensure appropriate upward communication channels exist for employees. Directors and senior management regularly visit Gedabek where the majority of the employees are located. There are also two formal mechanisms for engaging with employees: • An employee survey is carried out once a year and the results are circulated to directors. • The health and safety committee meet twice a year at Gedabek and the meetings are attended by directors.	The results of the employee survey have been reviewed and action taken to implement suggestions where appropriate. The health and safety committee considered all reportable safety incidents during the year in consultation with employee representatives and all appropriate actions were taken to prevent further occurrences in the future.
Community and environment	The Board aims to build trust and conduct its operations in partnership with the communities at all locations where the Group operates whilst minimising any adverse effect on the environment. Board members regularly visit Gedabek and other locations and meet with the local administration and other community leaders to hear their views on community relations.	The Group has carried out significant community and social development in the region. The Company together with officials of the Government of Azerbaijan held a "town hall" meeting with local residents at Gedabek to discuss the environmental audit at Gedabek and future plans for tailings management. A community relations department has been established and a dedicated Government affairs and community relations officer heads the department.
Government of Azerbaijan	The Board has set up a formal mechanism for engaging with the Government of Azerbaijan as set out in Corporate Governance on pages 48 to 51. Directors also meet with high level Government officials on a regular basis.	The Company has promptly complied with all requests from the Government of Azerbaijan for information about the Company's business. An open relationship based on trust has been formed with the Government.

Sustainability and health and safety

"Anglo Asian Mining's transition into a mid-tier, primarily copper producer, is pivotal to both our commercial development and our contribution to global decarbonisation. We are committed not only to increasing the global copper supply but doing so through safe operations while supporting our people and the communities in which we operate. The establishment of our sustainability committee in early 2024 demonstrates our commitment to responsibly managing this priority area. This report describes our approach to sustainable development, the progress of our sustainability Key Performance Indicators ("KPIs"), and our recent sustainability initiatives."

Professor John Monhemius
Non-executive director,
Chairman of the HSET Board Committee



Our approach to sustainable development

Sustainability remains integral to every stage of our operations, from asset development to responsible mining practices and eventual mine closure and rehabilitation. We prioritise the welfare of our personnel, show respect for the environment, actively engage with stakeholders, foster local community support, and uphold transparency in all our business endeavours.

In March 2024, we established a sustainability committee, chaired by non-executive director Professor John Monhemius. This marks a significant step forward in strengthening our sustainability management as we transition to a mid-tier producer, and will be vital in supporting our commitments to the environment, our people, and local communities. The sustainability committee is tasked with identifying, assessing, and managing sustainability-related risks and offering strategic oversight and guidance on these matters. The committee meets twice a year at the Gedabek site and reports to the Board.

The Health, Safety, Environmental and Technical ("HSET") committee, also chaired by non-executive director Professor John Monhemius, complements the work of the sustainability committee, addressing the Company's activities relating to health and safety.

Overall, the Group's senior management team is responsible for all sustainable development issues on an operational level, setting and monitoring KPIs. We are currently considering potential software-based solutions to enhance the monitoring of our HSET and sustainability activities and performance.

Sustainability related matters are routinely monitored and formally reported to the management team, where they are subject to structured review and detailed analysis. This process ensures that critical issues such as workforce wellbeing, environmental stewardship, occupational health and safety and supply chain management are actively addressed. The management team plays a hands on role in overseeing these areas, not only at the Gedabek site but also across the Company's other operational assets, ensuring a consistent and proactive approach to sustainability governance company wide.

Sustainability governance system structure

Strategic level

Board of directors
↓ HSET Committee
↓ Sustainability Committee

Management level

Management team
↓ Chief operating officer
↓ Chief financial officer
↓ Vice president

Operational level

HSET department | HR department | Procurement department | Finance department

Site managers

Environment, Social and Governance ("ESG") at a glance

Environmental

Material topic	Why is it important for Anglo Asian Mining?	What are we doing?
Environmental management 6 CLEAN WATER AND SANITATION 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION	We understand that mining activities can have a negative impact on the environment. We are committed to measuring, monitoring, and reducing all negative impacts.	We strictly adhere to all local policies and regulations, as well as aspiring to follow global best practice and international standards. Our HSET Committee oversees all the Company's environmental activities, and we have a team of highly qualified environmental specialists at our sites.
Emissions 13 CLIMATE ACTION	Climate change presents one of the biggest challenges faced globally. We aim to respond to it by reducing our own greenhouse gas emissions and strengthening our climate-related mitigation, adaptation and reporting.	We conduct all the necessary monitoring and reporting of emissions in accordance with local regulatory requirements. Additionally, we are launching a process of calculating our carbon footprint and consequently developing targets to reduce our footprint.
Waste 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Our activities generate several types of waste. It is our responsibility to, ensure it is treated and stored safely, reduce the total volume of waste generated, and increase its recycling/reusage.	We closely monitor the processes around our tailings storage facilities. Our operational plants currently use substantial amounts of recycled materials. We also partner with suppliers for safe management of recycled and non-recycled waste.
Water 6 CLEAN WATER AND SANITATION	We are committed to responsible and efficient uses of water resources and minimising effluents even though we do not operate in high water risk regions.	We have implemented solutions for using recycled water, and we endeavour to release minimal effluents that go through our purification systems. We record our freshwater usage daily with the aim of minimising it.
Energy efficiency 7 AFFORDABLE AND CLEAN ENERGY	Electricity consumption from traditional energy sources results in additional greenhouse gas emissions. Therefore, our energy usage is being closely monitored, and we are committed to decreasing our consumption of fuel.	We strive to increase the energy efficiency of our operations. We have piloted an initiative to reduce our fuel consumption by 10 per cent. We are also investigating the potential for transitioning to renewable energy sources.

Social

Material topic	Why is it important for Anglo Asian Mining?	What are we doing?
People 4 QUALITY EDUCATION 5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES	Our highly professional and talented people are paramount to our success as a company. Therefore, we ensure all our employees can enjoy fair working conditions, social benefits, and development opportunities.	We offer highly competitive remuneration/compensation packages that exceed local averages. We treat our employees fairly and with respect, providing support when needed, including financial, accommodation where eligible and transportation options. We assess the working schedules according to the environment and conditions of each site. We cover medical insurance and provide well-equipped physical/rehabilitation training and sports facilities onsite.
Health and safety 3 GOOD HEALTH AND WELL-BEING 8 DECENT WORK AND ECONOMIC GROWTH	We are committed to provide a safe working environment for all our people, both employees and contractors, and strive to foster a culture of safety and responsible behaviour.	We regularly train our employees on HSET policies and potential hazards at all sites. All site workers also undergo regular medical checks.
Local communities 1 NO POVERTY 4 QUALITY EDUCATION 8 DECENT WORK AND ECONOMIC GROWTH 11 SUSTAINABLE CITIES AND COMMUNITIES	We are committed to maintaining close and mutually beneficial relationships with our local communities. In addition to providing employment opportunities in our local communities, we support local infrastructure development projects and strive to create long-lasting benefits to the lives of local people.	Our local communities are a constant priority, and we always strive to meaningfully contribute where we can. We have built one school and one kindergarten for the local community, as well as other infrastructure, such as bridges, housing, and sports facilities. Our human resources team engages directly with the local community. We also take care of people in difficult financial situations by distributing food and necessities and providing accommodation.

Governance

Material topic	Why is it important for Anglo Asian Mining?	What are we doing?
Corporate governance system 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	We want to create sustainable, long term value for all our stakeholders, as well as honouring our responsibilities to them.	We operate according to internationally recognised practices and well established codes of corporate governance.
Supply chain 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	We endeavour to operate with integrity in all our procurement processes and ensure our supply chains are free from corruption.	We have a centralised department for all business procurement and communicate regularly with all our suppliers. We maximise purchasing locally as much as possible. Our supply chains are regulated by internal policies to avoid favouritism.
Anti-corruption framework and business ethics 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	We aim to conduct our business with fairness, integrity, and transparency.	We comply with UK anti-corruption legislation, the QCA corporate governance code and all financial auditing requirements. The Company also publishes its own anti-corruption policy.

Sustainability and health and safety *continued*

Materiality matrix

In response to the growing Environmental, Social and Governance ("ESG") focus from global investors, we are developing our sustainability strategy and reporting practices. In 2022, we conducted an extensive materiality assessment to identify stakeholder ESG priorities and inform our future programs and disclosures. This included peer benchmarking, analysis of ESG standards, risk assessment, stakeholder surveys, and topic prioritisation. The results are guiding our setting of future ESG KPIs. Additionally, we have conducted a comprehensive audit of existing ESG policies, with plans for updates and renewed public commitments on priority topics.

Anti-corruption policy

The Group regards zero tolerance of corruption as a key part of its sustainable business model. Accordingly, the Group has implemented a Business conduct, ethics and anti-bribery policy. This can be accessed on the Group's website at: www.wp-angloasianmining-2020.s3.eu-west 2.amazonaws.com/media/2024/12/Anglo-Asian-Mining-Business-Conduct-Ethics-and-Anti-bribery-Policy.pdf.

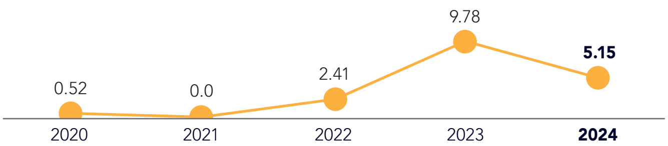
Health and safety

To ensure a safe work environment for all employees and contractors, recognising the high risk nature of mining, we strive to continually enhance safety performance across the Group. Our goal is zero harm at all our operations.

In 2024, the Group recorded 7 Lost Time Incidents ("LTIs") among employees, resulting in a Lost Time Injury Frequency Rate ("LTIFR") of 5.15, reduced from 9.78 in 2023. The LTIs stemmed from both occupational and personal causes. The improvement in safety performance in 2024 is attributed to enhancements in the incident reporting system, improvements to the underground working conditions and improvement in the performance of repair and maintenance work. The Lost Time Incident rate is based on LTIs per 1,000,000 hours worked.

The HSE department diligently investigated all accidents and near-misses that occurred in 2024, as part of its HSE management system. Action plans are being implemented to prevent the recurrence of similar incidents in the future period.

Lost-time injury frequency rate

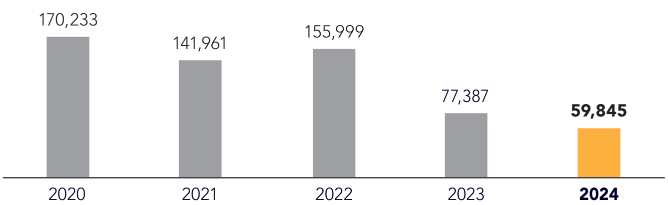


The LTIFR for 2022 increased slightly from 2.18 to 2.41, and the LTIFR for 2020 decreased from 0.89 to 0.52 due to changes and enhancements in the reporting system for HSE management.

Environmental stewardship

In our continued efforts to reduce the impact of our operations on the environment, we are measuring our carbon footprint and aim to provide greater detail on these metrics in our sustainability reports. The 'Task Force on Climate-related financial disclosures ("TCFD")' report on pages 33 to 39 sets out the Company's approach to climate change.

Water intake (m³)



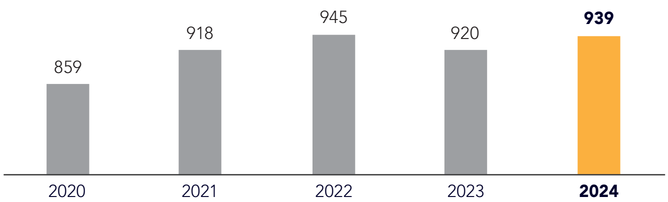
Between August 2023 and the fourth quarter of 2024, there was a partial suspension of processing at Gedabek and mining was temporarily halted. This resulted in a corresponding decrease in water intake.

Our people

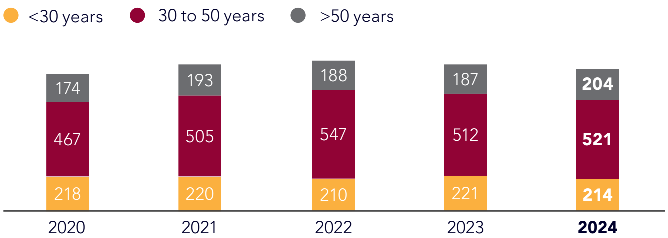
We currently directly employ around 1,000 people in our operations.

We regularly benchmark standards of remuneration and quality of life among our colleagues to ensure we are providing our employees with fair and equitable earnings. We aim to provide opportunities and training for all to enhance career development. We support our colleagues to complete further education qualifications and participate in relevant conferences.

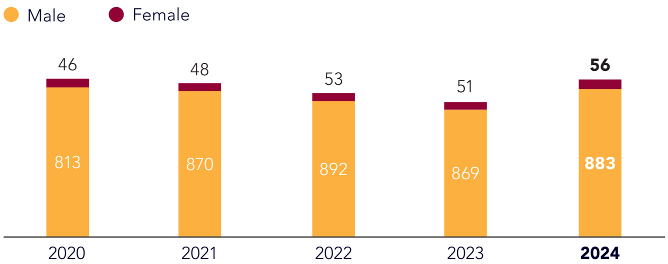
Number of employees



Employees by age



Employees by gender



Sustainability and health and safety *continued*

Local communities

We remain deeply committed to the wellbeing of the communities in which we operate. In 2024, we expanded our community development, environmental, educational, and sports initiatives across our operational areas, with a focus on the Gedabek region, with our total social investments rising 34 per cent. from 2023 to a total of $274,604.

We believe fostering community ties and contributing to local development are both a responsibility and a privilege. As part of our community engagement efforts, we distributed holiday gifts to nearly 2,000 families. Empowering young people also remained a key priority. We organised multiple training sessions and development camps aimed at helping rural youth build vital skills in career planning, personal development, and environmental awareness. This lays the foundation for future leadership and sustainability.

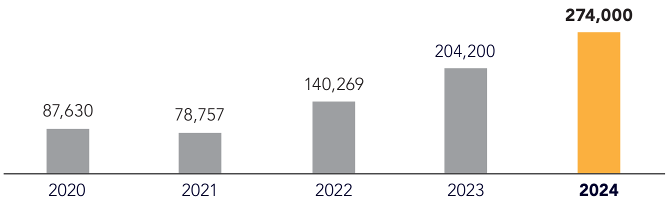
Our environmental activities aligned closely with national priorities in the lead up to COP29. We planted trees, donated 50 waste containers to promote better waste management, and hosted educational eco-events to raise environmental awareness among community members.

We also continue to be active in the realm of sports development. We proudly sponsored and supported a wide range of regional and international events. These included championships in boxing, taekwondo, chess, and savate, where several athletes we supported achieved medal-winning performances, showcasing local talent on a broader stage.

We also strengthened our partnerships with academic institutions. Our experts contributed to scientific seminars and conferences, promoting knowledge exchange and sustainable mining practices through collaboration with local universities.

Social investments

$



In 2024, our social investments expanded, particularly in supporting education initiatives and providing medical assistance. The Group's community team received numerous requests for medical aid, underscoring the pressing need for healthcare support in local villages, including covering transportation costs, providing medicines, and assisting with surgical procedures.

Professor John Monhemius
Non-executive director
21 May 2025

Case study: Supporting education in the region

We believe every child deserves a quality education, and in support of this we were proud to sponsor the purchase and distribution of school uniforms for first-grade students in several villages in the Gedabek district.

With our financial and organisational support, a total of 97 first-grade students received new school uniforms at the start of the academic year. The beneficiaries included children from the villages of Arikhdam, Soyudlu, Garadagh, and Gumlu.

Our support was extended to schoolchildren from socially disadvantaged families, regardless of grade level. These students received not only uniforms, but also backpacks, school supplies, shoes, and other essential items.

This initiative is part of our broader commitment to community development and youth empowerment. During the year, we also sponsored an event introducing young people in Gedabek to climate literacy and the importance of social development goals, arranged gifts for the winners of poetry competitions for young students to mark COP29 in Baku, and continue to sponsor a range of extracurricular activities from sports teams to chess tournaments.

These efforts reflect our ongoing dedication to supporting education, environmental responsibility, and youth development in the communities in which we operate.

4 QUALITY EDUCATION

Climate change and task force on climate-related financial disclosures ("TCFD")

Governance and strategy

Backgound

Anglo Asian Mining PLC ("Anglo Asian Mining", the "Group" or the "Company") is proud of its efforts in enhancing environmental accountability by aligning its reporting with the Taskforce on Climate-related Financial Disclosures ("TCFD"), which adhere to climate-related disclosure standards in the United Kingdom.

Continuing the momentum since the first TCFD report, Anglo Asian Mining is committed to continuous improvement in all areas of climate risk management in line with the key reporting guidelines. The Company recognises that the TCFD was officially disbanded in 2023 and is confident of the foundation that has been established that will continue to deliver the requirements of future disclosure standards such as the IFRS S2. This is the second climate-related disclosure by the Company, and Anglo Asian Mining sees this as a milestone in the journey towards proactive environmental stewardship.

Anglo Asian Mining is not listed on the main board of the London Stock Exchange and has no offices or operations in the United Kingdom. Accordingly, the Company does not consume electricity in the United Kingdom, and is not required to report under the United Kingdom Government Streamlined Energy and Carbon Reporting ('SECR') framework.

The Group primarily operates in a contiguous territory of northwest Azerbaijan, including the Gedabek, Gosha, Xarxar and Garadag contract areas, primarily focused on the production of gold doré and copper concentrate at Gedabek. Additionally, the Group has operations in the Vejnaly contract area in southwest Azerbaijan, where current activities are limited to exploration, making Vejnaly a minimal consumer of energy or carbon emitter. The Group is also about to start operations in the Karabakh region of Azerbaijan, but activity there was minimal in 2024. These climate-related disclosures encompass all of Anglo Asian Mining's assets.

Governance

Anglo Asian Mining has developed a climate governance framework to integrate climate-related risks and opportunities into its business and investment decisions. This framework is overseen directly by the Board of Directors (the "Board") and permeates through senior management down to the operating sites.

The Group has established a governance structure dedicated to overseeing climate risks. This involves integrating climate considerations into the Group's strategy and risk management, along with developing specific climate-related metrics to track performance. The climate governance strategy of Anglo Asian Mining is designed to be adaptable, evolving alongside the Group's strategies and plans to manage climate-related risks and opportunities and to encompass broader sustainability related risks and opportunities. This aligns with the global trend towards more rigorous and transparent standards for climate related disclosures and centres around a clearly defined governance model, incorporating climate considerations at all organisational levels.

The Board delegates climate oversight responsibilities to the sustainability committee, which is responsible for developing the strategic vision for sustainability and climate issues, and guiding its implementation once approved by the Board. The responsibilities of the sustainability committee include review and approval of decarbonisation strategies, ensuring appropriate management of climate-related risks and opportunities and direction and approval regarding mitigation and adaptation measures. It also supports training and awareness programmes related to climate change for both corporate and site teams and provides strategic direction on broader sustainability topics. This governance is implemented across three levels:

Board level – Focus is on ensuring appropriate oversight and management of climate risks. The Board reviews policies pertaining to climate change and evaluates their effectiveness in integrating climate considerations into the business strategy. The Board also provides approvals for significant strategic or financial initiatives recommended by management to address climate-related risks and opportunities.

Management level – Responsible for the identification, assessment, and management of climate risks as well as execution of strategies formulated by the Board and ensuring adherence to policies approved by the Board. This includes managing the day-to-day implementation of climate change initiatives, ensuring the effectiveness of emission reduction measures and making recommendations for ensuring a climate-resilient business through adaptation and mitigation. Whilst the Board delineates the Group's stance on climate change, risks, and opportunities, the management team is charged with their actual implementation.

Site operations level – Responsibilities revolve around managing performance, compliance, and mitigation of climate change risks. This includes pinpointing and addressing site-specific risks and opportunities, executing relevant policies, reducing greenhouse gas emissions, complying with environmental standards, and managing local risks, including the formulation of emergency response plans. Precise data collection and reporting on emissions and impacts are vital for effective management oversight. Moreover, engaging with local communities to address climate concerns, supporting regional climate resilience, and fostering sustainability initiatives are key aspects of site-level operations.

Climate change and task force on climate-related financial disclosures ("TCFD") *continued*

Governance and strategy continued

Governance continued

The following organisational chart shows the division of roles and responsibilities.

Board of Directors
Oversees strategy and processes for managing climate-related risks and opportunities, while ensuring macro-level implementation and risk management.

The Health, Safety, Environmental and Technical Committee
Oversight on HSET related standards, compliance and risks.

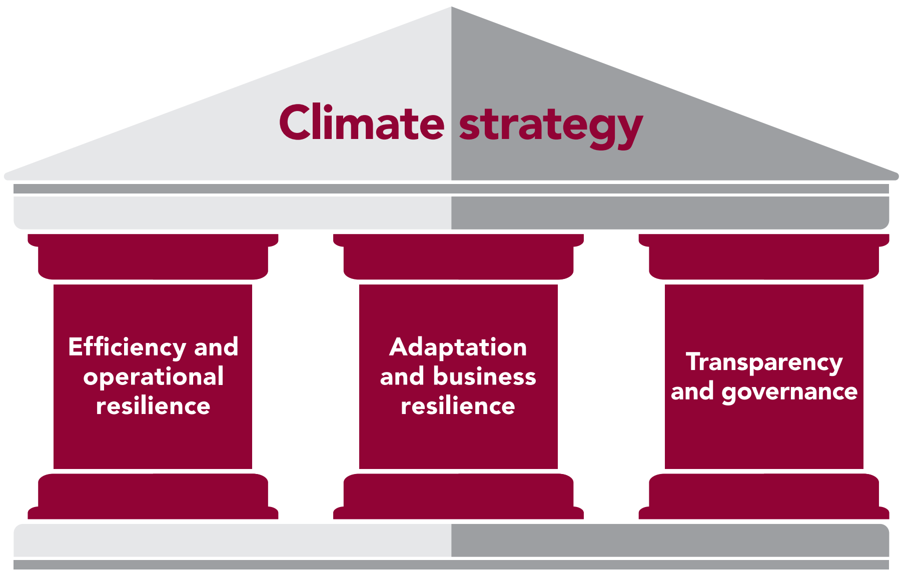
Sustainability Committee
Identifies, assesses, and manages sustainability-related risks, offering strategic oversight and guidance while reporting to the Board.

Audit Committee
Oversight on financial reporting, audit processes and financial risks.

Senior management
Implementation and day-to-day execution of climate change strategies and policies.

Region/sites
Support site-level data collection, procurement, compliance, and site-specific climate change risks.

Governance framework: dark red for Board oversight, light red for management and grey for site operations.



Climate strategy

To effectively address climate change challenges, Anglo Asian Mining has developed a climate strategy. This strategy, aligned with the Group's climate change policy, concentrates on three fundamental objectives, managing climate risks, seizing opportunities, and boosting resilience. It is organised around three central pillars, each essential to the strategy's overall effectiveness and alignment with the Company's goals and values.

Efficiency and operational resilience – The Group has identified and included physical and transition risks associated with climate change in a corporate climate change register, which is reviewed biannually. This register not only identifies risks but also evaluates their financial implications. Based on this, Anglo Asian Mining has developed mitigation strategies to improve operational resilience, focusing on securing a stable power supply, optimising emission performance, and prioritising strategic projects. This approach is essential for enhancing energy efficiency and reducing the carbon footprint. The Group is developing monitoring capabilities and emission tracking to establish practical decarbonisation targets. Key initiatives already undertaken include connecting the Gedabek site to the national power grid and installing a reverse osmosis water purification plant.

Adaptation and business resilience – Anglo Asian Mining's strategy for adaptation involves a comprehensive understanding of climate change's dual impact on operations and finance, as well as guiding strategic growth plans. The Group is a producer of gold, silver and copper, and recognises the increasing demand for these metals (especially copper) in clean technology applications. In response, the Group has developed plans to expand copper production, acknowledging its vital role in the low carbon transition and aligning with global trends towards sustainable resources.

Transparency and governance – Emphasising the need for clear and transparent reporting, Anglo Asian Mining is working towards alignment with IFRS S2 recommendations, aiming for full compliance in the near future. This commitment to transparency is a key aspect of the Group's governance processes and forms a crucial part of the overall climate strategy.

This strategy serves as a framework for Anglo Asian Mining to understand and manage the various aspects of climate change, emphasising efficient energy management and acknowledging the need to reduce the carbon footprint of the business. It also focuses on preparing the Group and its communities for the long term impacts of climate change, ensuring that these considerations are integral to strategic decision making.

Climate change policy statement

Anglo Asian Mining recognises the serious threat posed by climate change, primarily caused by human generated Greenhouse Gas ("GHG") emissions, to the environment, society, stakeholders and operations. The necessity of unified global efforts to tackle this urgent issue is evident, and the Company is actively growing its knowledge and capabilities in this domain. With its primary operations in Azerbaijan, the Company acknowledges its significant role in the mining industry, supplying essential precious and base metals crucial for driving a future economy in line with decarbonisation objectives.

The senior management team and the Board are actively involved in assessing climate-related risks and opportunities, developing, implementing, monitoring and revising climate action strategies. The primary objectives of the strategy include:

- continuously adapting the approach to climate change in a manner that is both appropriate and effective for the Company and its strategic objectives, guided by evolving best practices and understandings;
- identifying and mitigating both physical and transitional climate risks to ensure the resilience of operations;
- committing to clear and transparent climate-related disclosures, including annual reports on Scope 1 and Scope 2 emissions, to provide stakeholders with detailed insights into environmental impact and the progress of climate initiatives; and
- incorporating the TCFD framework by adopting its recommendations and continually enhancing alignment with these guidelines in climate-related public disclosures.

The site operations management teams bear the responsibility of executing the Group's climate strategy and achieving the Board's objectives. This includes:

- collaborating with host governments and communities to address climate-related challenges and supporting sustainable development and climate resilience initiatives;
- implementing energy management strategies to optimise resource consumption and enhance operational efficiency wherever possible; and
- actively exploring avenues to reduce the overall carbon footprint, including leveraging renewable energy sources, and diversifying the energy portfolio.

Climate related actions and developments in 2024

In 2024, various actions were carried out to address the climate change risks of Anglo Asian Mining, including the following activities:

- a training session was held for the Board and senior management team of Anglo Asian Mining on building capacity to address climate change risks broadly and in an ongoing manner. The training included a workshop facilitated by the Group's external climate change consultants;
- Anglo Asian Mining committed to full compliance with the Global Industry Standard on Tailings Management ("GISTM") and started the process of putting in place the necessary requirements to achieve full GISTM compliance by 2026;
- the Group appointed an external consultant to its sustainability committee to strengthen the committee and assist in implementing the Group's climate change policy; and
- the Group is currently conducting extensive studies on a newly acquired mine, Demirli in the Karabakh region of Azerbaijan containing an open pit mine and a copper processing plant, with a view to restarting production. Actions to reopen the mine include an asset-level climate risk assessment and emissions reduction analysis. The Group is also evaluating the feasibility of using electrical power generated from renewable solar sources. Extension of the existing climate risk assessment, and emissions assessment of current activity, for the planned reopening of Demirli will be actioned through 2025 for incorporation into 2025 disclosures.

Risk management

Physical risks

In 2024, Anglo Asian Mining conducted a detailed climate hazard analysis with the support of an external consultancy, initially covering 14 infrastructure elements in the supply chain. The hazard analysis is a provisional risk assessment using district-scale climate data. A more detailed assessment, taking account of local variations in climate due to topographical differences and other geographical effects is being undertaken. This may result in changes to the physical climate risk assessment in future years. This study was refined to concentrate on five key areas, with the Gedabek site as the central focus. The study assessed ten physical climate hazards, including temperature and precipitation changes, water stress, river and coastal flooding, wildfires, extreme weather events, heat and cold stress, erosion, and drought risks. Out of these, six relevant risks were identified and evaluated more closely: heat stress, cold stress, wildfire, water stress, drought, and erosion.

The analysis employed advanced tools and models, incorporating data from sources like the World Bank, and was aligned with the Representative Concentration Pathway ('RCP') 8.5 scenario. It covered a long term period from 2011 to 2100 and categorised the hazards into four distinct timeframes: historical baseline, short term (2011 to 2040), mid-term (2041 to 2070), and long term (2071 to 2100).

Climate change and task force on climate-related financial disclosures ("TCFD") *continued*

Risk management continued

Physical risks continued

Each risk identified in the analysis was given a score from low to extremely high, based on the evaluation of direct physical risks to key assets and the supply chain, as well as climate-related impacts to the mining industry in general. The full analysis can be found in the 2024 TCFD report, but a summary is disclosed in Table one below.

Table 1 – Summary of key physical risks and materiality of impacts

Key hazards	Short Term	Medium Term	Long Term	Material impacts
Heat stress	Medium high	High	High	Loss in productivity and reduction in operational efficiencies
Cold stress	Medium low	Medium low	Low	Logistics disruptions with impact on production
Wildfire	Medium high	Medium high	Medium high	Damages from wildfires, business disruptions and potential liability claims
Water stress	Medium high	Medium high	Medium high	Higher water costs and potential fines for inadequate water management
Drought	Low	Low	Medium low	Higher water costs, potential operational disruptions with associated revenue losses

A number of mitigation measures were identified in this analysis (see details in the 2024 TCFD report) which have been fed into the climate strategy for implementation.

Transition risks

Alongside the physical risk analysis, Anglo Asian Mining undertook a transition risk assessment with the support of an external consultant. The goal of this assessment was to identify material transition-driven risks, as well as opportunities.

The summary in Table 2 discloses key insights from the transition risk assessment, which was conducted across three time horizons, namely: Short term (one to three years), mid-term (three to five years) and long term (> five years). The full analysis can be found in the 2024 TCFD report.

Table 2 – Summary of transition risks and material impacts

Transition risks	Short Term	Medium Term	Long Term	Material impacts
Carbon pricing	Medium high	Extremely high	Extremely high	Carbon pricing in Azerbaijan could impact profitability but exports to EU markets more likely to become more expensive due to CBAM*, reducing demand.
Increase in cost of fuels	Medium high	Extremely high	Extremely high	
Carbon tariffs on exports	Medium low	High	High	
Shift in investor preferences and consumer behaviours	Medium low	Medium high	Medium high	Market volatility around green products/services could result in decreased revenue and profitability.
Industry reputation	Medium high	High	High	Not meeting stakeholder expectations could risk regulatory even operational challenges. Additionally, reputational impacts could impact financial stability and growth prospects.
Disclosure pressure from stakeholders	Medium low	Medium high	High	

Transition opportunities

The transition to a low carbon economy by 2050 also brings numerous opportunities for Anglo Asian Mining. These opportunities are indicative of the potential benefits and positive shifts that can arise from adapting to a more sustainable operational model, and leveraging emerging opportunities created by the global green transition. Table 3 summarises the key opportunities for Anglo Asian Mining.

Table 3 – Summary of transition opportunities and business implications

Transition opportunities	Time horizon	Business implications
Peer benchmarking for decarbonisation	3 – 5 years	Monitor sectoral decarbonisation best practices and be ready for Azerbaijani decarbonisation policy compliance.
Commodity premium for "green" copper	1 – 3 years	Low carbon metals could enjoy a price premium in commodity markets, incentivising decarbonisation initiatives.
Transition-adjacent materials	3 – 5 years	Copper demand for renewable energy infrastructure could improve revenues.
Investing in local communities	1 – 3 years	Building local resilience improves secures local procurement, workforce and social licence to operate.

* *Carbon Border Adjustment Mechanism.*

Performance metrics and targets

Our progress

In the mining industry, energy consumption is a crucial factor in the extraction, transportation, and processing of ores and waste rock, as well as in maintaining infrastructure. The emissions profile of a mining operation is largely determined by the energy source utilised and the specific methods employed in mining and processing activities. These methods are often dictated by the unique geology and geometry of the mineral deposits. In this context, Anglo Asian Mining's approach to energy use and emissions management provides a clear example of how the industry navigates these challenges.

The primary energy sources at Anglo Asian Mining's sites typically include diesel fuel for heavy equipment and, in certain cases, electrical power generation in remote locations. Additionally, the Group secures electricity from regional or national power supply transmission grids. With an increasing focus on environmental sustainability, the grids from which Anglo Asian Mining procures electricity are expected to become more efficient and potentially cleaner in the coming years. This shift aligns with the commitments of the jurisdictions in which the Company operates, especially their Nationally Determined Contributions ('NDCs') commits to a 40 per cent. reduction in emissions by 2050. Notably, grid electricity offers the advantage of a lower carbon footprint compared to onsite electricity generation. In particular, Anglo Asian Mining will further examine the feasibility of using renewable energy sources for Demirli as part of the evaluation for reopening and production.

Key highlights:

- Starting in 2024, Anglo Asian Mining initiated tracking and reporting of scope 1 and location-based scope 2 emissions for its operations in the Gedabek district. This effort includes backtracking data to 2020 to establish a baseline year.
- In 2017, the Gedabek site implemented an advanced reverse osmosis water treatment plant, enhancing the site's water management efficiency. This installation notably reduced the mine's dependence on fresh water sources.
- In 2016, the Gedabek site, containing the Group's only significantly producing mines, was connected to the national power grid. This transition significantly reduced the site's dependence on diesel fuel for onsite power generation, saving an estimated 11,000,000 litres of diesel fuel annually, which is equivalent to a reduction of approximately 30,000 tonnes of CO_2e per annum.

Anglo Asian Mining is continuing its climate journey that began in 2016, with the connection of the main operating mine to grid-based electricity. In 2024, the Group established a climate governance structure and policy, developed a holistic climate strategy, initiated climate risk assessments on its operations and supply chain, integrated climate risks into its risk management processes and conducted a scope 1 and scope 2 emissions inventory, all disclosed transparently in the Group's first TCFD-aligned report in 2024.

Looking ahead, over the next 12 months, Anglo Asian Mining aims to extend its climate risk assessments to Demirli and deepen the risk assessment for those risks considered most material. The Company further plans to evaluate its value chain, conduct scenario analyses, perform an IFRS S2 gap analysis, and improve emission accounting to include scope 3 emissions. These initiatives are designed to ensure the Company's full alignment with TCFD requirements and position it strongly for compliance with IFRS S2.

Measuring our performance

Although Anglo Asian Mining has not yet set a specific carbon reduction target, it is cognisant of the global initiatives outlined in the Paris Agreement, as well as the commitment of the jurisdiction in which it operates to achieve a 40 per cent. emission reduction by 2050. As the Group deepens its engagement in its climate journey, gaining knowledge and capacity, the establishment of an emission target will become a focus area. This collected data will play a crucial role in supporting the Group's strategic and business planning processes, enabling effective monitoring of the business environment from a risk management viewpoint.

Anglo Asian Mining is currently working to integrate several metrics to effectively monitor its impact on the climate with extension of these metrics to Demirli through 2025. The metrics employed includes:

- scope 1 and 2 greenhouse gas ('GHG') emissions.
- GHG emission intensity.
- direct and indirect energy consumption.
- percentage of assets impacted by physical and transition risks.

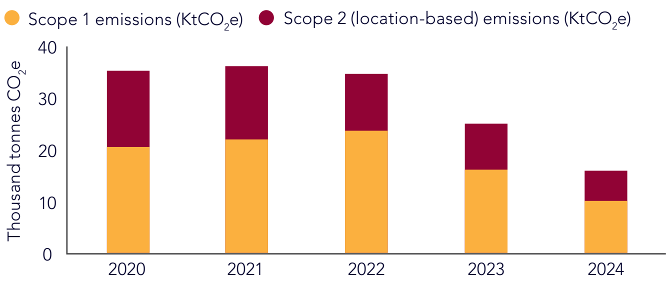
In 2024, Anglo Asian Mining reported a total of 25,778 metric tonnes of CO_2 equivalent (tCO_2e) in scope 1 and scope 2 emissions, showing a 54 per cent. reduction from the 2020 baseline. Note that these amounts are not directly comparable due to the temporary partial shutdown of processing in 2023 and reduced production in 2024. Looking ahead, as normal operations resume, emissions are expected to return to the previously observed levels in 2025, with ongoing monitoring of emissions, which will guide the initiative for exploration of decarbonisation opportunities. With the reopening of Demirli, emissions are further expected to increase, and Anglo Asian Mining commits to exploring opportunities to maintain a low emissions footprint as part of evaluating reopening.

The GHG intensity for gold equivalent ounces in 2024 was 1.54 tCO_2e per ounce, representing an 84 per cent. increase from the 2020 baseline. This increase primarily arose from the steadily decreasing gold production in recent years as the Group's legacy open pit mines have neared depletion. A closer look at energy consumption sources reveals a high reliance on diesel (50 per cent. of total energy consumption) and grid electricity (42 per cent.). 10 per cent. of the total diesel consumption by Anglo Asian Mining and its contractor is consumed by on site generators, and the rest is used for transportation. Further breakdown shows that diesel is responsible for 34 per cent. of the total scope 1 and scope 2 emissions, while grid electricity accounts for 61 per cent. Details about our energy use and GHG emissions performance by site, and over the past four years, are in section 4 – performance data.

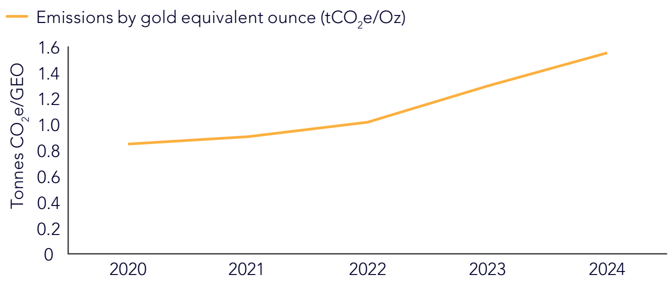
Climate change and task force on climate-related financial disclosures ("TCFD") *continued*

Performance metrics and targets continued
Measuring our performance continued

Group total emissions breakdown by year

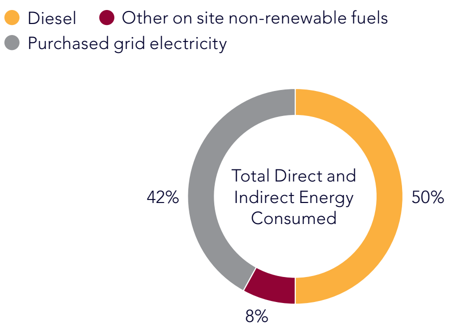


GHG intensity breakdown by gold equivalent ounces

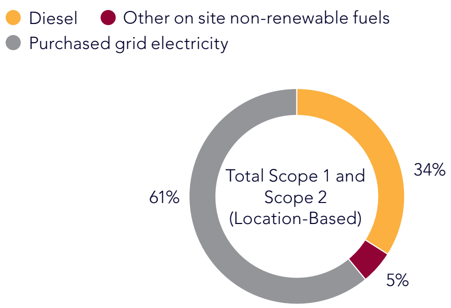


Group's scope 1 and 2 emissions breakdown and carbon intensity compared to GEO over the last 5 years

2024 Energy consumed by source



2024 GHG emissions by source



The group's energy and emission breakdown by source for 2024

Performance data
Direct and indirect energy consumed by source: Trailing four-year data (Gigajoules).

Direct non-renewable energy	2020	2021	2022	2023	**2024**
Diesel	283,482	292,799	315,898	211,152	**124,372**
Gasoline	6,435	7,207	7,786	7,311	**5,641**
Heavy fuel oil	10,577	11,057	11,462	9,444	**10,886**
Light fuel oil	599	507	678	610	**776**
Propane	86	89	84	77	**25**
Lubricating oil and greases	6,684	6,294	6,499	4,726	**2,488**
Indirect non-renewable energy					
Grid electricity from non-renewable sources	237,064	242,087	232,042	167,481	**106,552**

Direct non-renewable energy consumed by source: Trailing five-year data (percentage).

	2020	2021	2022	2023	**2024**
Diesel	92%	92%	92%	90%	**86%**
Gasoline	2%	2%	2%	3%	**4%**
Heavy fuel oil	3%	3%	3%	4%	**8%**
Light fuel oil	0%	0%	0%	0%	**1%**
Propane	0%	0%	0%	0%	**—**
Lubricating oil and greases	2%	2%	2%	2%	**2%**

Scope 1 and 2 GHG emissions: Trailing five-year data (tCO_2e).

	2020	2021	2022	2023	**2024**
Diesel	19,494	20,136	21,726	14,523	**8,630**
Gasoline	382	428	463	434	**335**
Heavy fuel oil	797	833	864	712	**820**
Light fuel oil	42	36	48	43	**55**
Propane	5	5	5	5	**2**
Lubricating oil and greases	382	360	372	270	**142**
Total scope 1 (Direct) GHG emissions	21,103	21,799	23,477	15,988	**9,984**
Total scope 2 (Indirect) GHG emissions – Location based	35,148	35,892	34,403	24,831	**15,793**

Scope 1 and 2 (location based) GHG emissions intensity: Trailing five-year data (tCO_2e per GEO):

Country	**District**	2020	2021	2022	2023	**2024**
Azerbaijan	Gedabek	0.84	0.89	1.00	1.28	**1.54**

Non-financial and sustainability information statement

The Group's Non-Sustainability Information Statement ("NFSIS") set out below is in line with sections 414CA and 414CB of the Companies Act 2006 and the amendments introduced by the Companies (Strategic Report) (Climate – Related Financial Disclosure (CFD) Regulations 2022.

Topic	Description	Sections within the annual report	Pages
Environmental matters	The Group is committed to • minimise any adverse effect on the environment. • minimise its greenhouse emissions. • ensure proper stewardship of its water resources • ensure its tailings are stored safely.	Chairman's statement President and chief executive's review Strategic report Sustainability and health and safety Climate change and TCFD disclosures	7 and 8 9 and 10 12 to 27 28 to 32 33 to 39
Employees	The Group is committed to a safe, fair and inclusive workplace for all its employees	Section 172 (1) statement Sustainability and health and safety	26 and 27 28 to 32
Social and community matters	The Group is deeply committed to the wellbeing of the communities in which we operate. It is very active in community development, and environmental, educational and sport initiatives.	Section 172 (1) statement Sustainability and health and safety	26 and 27 28 to 32
Human rights	The Group is committee to upholding fundamental human rights. Given the small size of the Group, the upholding of human rights is mainly undertaken informally.	Section 172 (1) statement Sustainability and health and safety	26 and 27 28 to 32
Anti-bribery and corruption	The Group has zero tolerance of corruption. This is supported by the Group's Business Conduct, ethics and anti-bribery policy	Section 172 (1) statement Sustainability and health and safety	26 and 27 28 to 32
Business model	The Group's business model is to produce gold and copper both profitably and sustainably.	Chairman's statement Sustainability and health and safety	7 and 8 28 to 32

This non-financial and sustainability information statement forms part of the Company's strategic report and is incorporated by reference.

Financial review

"The Group recorded a loss before taxation in 2024 of $21.3m (2023: $32.0m). The loss was mainly due to the gross loss of $10.1m resulting from the partial suspension of Gedabek processing in the first three quarters of 2024, administration expenses of $6.6m and finance costs of $3.0m"

William Morgan
Chief financial officer

Currency of financial review

References to "$" and "cents" are to United States dollars and cents. References to "£" and "p" are to United Kingdom Sterling pounds and pence. References to AZN are to the Azerbaijan New Manat.

Group statement of income

The Group generated revenues in 2024 of $39.6m (2023: $45.9m) from the sales of gold and silver bullion and copper and precious metal concentrate.

The revenues in 2024 included $37.1m (2023: $31.0m) generated from the sales of gold and silver bullion from the Group's share of the production of doré bars. Bullion sales in 2024 were 15,251 (2023: 15,822) ounces of gold and 10,563 (2023: 7,080) ounces of silver at an average price of $2,432 (2023: $1,951) per ounce and $29 (2023: $23) per ounce respectively. In addition, the Group generated revenue in 2024 of $2.5m (2023: $14.8m) from the sale of 1,519 (2023: 11,192) dry metric tonnes of copper and precious metal concentrate. The Group's revenue benefited in the year from a higher average price of gold at $2,390 (2023: $1,943) per ounce and a higher average price of copper at $9,267 (2023: $8,523) per tonne. Production was lower in 2024 compared to 2023 due to the partial suspension of processing throughout the first three quarters of the year.

The Group incurred cost of sales in 2024 of $49.7m (2023: $50.3m) as follows:

The cost of sales in 2024 of $49.7m were $0.6m lower than the $50.3m in 2023. Cash cost of sales in 2024 at $30.8m were $9.2m lower than $40.0m in 2023. This was because agitation leaching, flotation processing and mining were suspended from January to quarter four of 2024. Reagent costs, materials and consumables including spare parts and fuel oil, and haulage and excavation services were $1.6m, $3.0m and $3.7m lower respectively in 2024 compared to 2023. The charge for inventory movement of $9.1m (2023: $1.7m) primarily resulted from a decrease of gold in circuit and the tailings dam of $6.7m and bullion of $3.6m. The decrease in gold in circuit and tailings dam resulted from lower production and lower gold in the tailings dam. The lower bullion resulted from a delay in shipment of gold bullion at 31 December 2023.

Depreciation of owned assets in 2024 was higher at $10.5m compared to $9.7m in 2023. 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 depreciation and amortisation were higher in the year due to a change in methodology in calculating the cost of the producing mines which are depreciated. These costs now include future expected capital expenditure of the cost of a second tailings dam at Gedabek which will be required to process the economically recoverable reserves. This was partially offset by the lower production in 2024.

	2024 $m	2023 $m	B/(W) $m
Cash cost of sales	**30.8**	40.0	9.2
Depreciation	**10.0**	9.8	(0.2)
Cash costs and depreciation	**40.8**	49.8	9.0
Capitalised costs	**(0.2)**	(1.2)	(1.0)
Cost of sales before inventory movement	**40.6**	48.6	8.0
Inventory movement	**9.1**	1.7	(7.4)
Total cost of sales	**49.7**	50.3	0.6

Financial review *continued*

Group statement of income continued

Other operating income in 2024 was $1.3m (2023: $0.4m) The income in 2023 and 2024 was primarily the cancellation of amounts payable to contractors. Administration expenses in 2024 were $6.6m (2023: $7.0m). Administration expenses comprise the cost of the administrative staff and associated costs at the Gedabek mine site, the Baku office and maintaining the Group's listing on AIM. The majority of the administration costs are incurred in either Azerbaijan New Manats, the United States dollar or United Kingdom pounds sterling. The Azerbaijan New Manat was stable against the US dollar in 2024 compared to 2023 at an exchange rate of $1 equals AZN1.7. The United States dollar to the United Kingdom pounds Sterling exchange rate was relatively volatile in 2024 with a high of £1 equals $1.34 to a low of £1 equals $1.23. Administration costs in 2024 were lower than 2023 primarily due to lower consulting fees. 2023 administration costs included consulting costs arising from the partial environmental shutdown.

Finance costs in 2024 were $3.0m (2023: $1.8m). Finance costs comprise interest on borrowings and lease liabilities, interest on unwinding the discount on provisions, interest on deposit received from a customer and interest on the AzerGold CJSC creditor. Finance costs increased in 2024 compared to 2023 due to the Group's increase in borrowings in 2024.

The Group reversed of an impairment charge in 2024 of $0.4m (2023: charge of $5.0m) in respect of its investment in Libero Copper & Gold Corporation ("Libero"). Libero was an associate company at 31 December 2023 but on 15 February 2024 was reclassified as a financial asset as the Group's interest reduced to 5.7 per cent. in January 2024 and Michael Sununu resigned from the board of Libero. The reversal of the impairment charge arose due to an increase in the share price of Libero between 1 January and 15 February 2024. The market value of the Group's shares in Libero at 31 December 2024 was $475,000 and the investment was accordingly included at this value as a non-current financial asset in the Group balance sheet at 31 December 2024.

The Group recorded an impairment charge in 2024 in respect of its historical geological exploration expense of $1.3m (2023: $13.0m). This was in respect of its Avshancli deposit in the Gedabek contract area.

The Group recorded a loss before taxation in 2024 of $21.3m (2023: $32.0m). The loss was mainly due to the gross loss of $10.1m resulting from the partial suspension of Gedabek processing in the first three quarters of 2024, administration expenses of $6.6m and finance costs of $3.0m.

The Group had a taxation benefit in 2024 of $3.8m (2023: $7.7m). This comprised a current income tax charge of $nil (2023: $nil) and a deferred tax benefit of $3.8m (2023: $7.7m). R.V. Investment Group Services ("RVIG") in Azerbaijan generated taxable losses in 2024 of $5.1m (2023: $17.3m). RVIG's taxable profits are taxed at 32 per cent. (the corporation tax rate stipulated in the Group's production sharing agreement). RVIG had tax losses available for carry forward of $22.4m at 31 December 2024 (2023: $17.3m).

All-in sustaining cost of gold production

The Group will not report an AISC of gold produced in 2024. The Group's costs in 2024 include substantial non-production costs such as maintaining the entire Gedabek site together with the idle plant, and the cost of the Gedabek workforce, a large proportion of whom were placed on administrative leave. The AISC metric is therefore not meaningful for 2024.

Group statement of financial position

Assets

Non-current assets increased from $95.2m at the end of 2023 to $103.7m at the end of 2024. Intangible assets decreased by $3.1m from $27.1m at the end of 2023 to $24.0m at the end of 2024 due to transfers of intangible assets to assets under construction at Gedabek of $3.6m, amortisation of $0.4m and impairment of $1.3m. This was partially offset by additions of $2.2m (2023: $5.9m). Property, plant and equipment were higher by $6.8m due to additions of $9.3m and transfer from intangibles of $3.6m partially offset by depreciation of $10.5m. The rehabilitation provision also increased by $5.0m. Right of use assets were $0.4m lower in 2024 compared to 2023. Additions of $0.4m were partially offset by depreciation of $0.7m.

Current assets decreased by $16.6m to $42.9m at 31 December 2024 compared to $59.5m at 31 December 2023. The main reason for the decrease was a decrease of cash of $3.6m and inventories of $15.6m partially offset by an increase in trade and other receivables of $2.6m. Current inventories decreased by $15.6m due to a decrease in gold bullion of $3.6m, lower metal in circuit and in tailings dam of $6.7m and lower ore stockpiles of $4.8m. There were 1,055 ounces of gold bullion in inventory at 31 December 2024 (31 December 2023: 3,359 ounces). Gold in the tailings dam was 217 ounces (2023: 3,114 ounces) valued at $0.5m (2023: $4.9m). The decrease in the gold in the tailings dam resulted from lower production. The lower ore stockpiles resulted from $5.7m of ore being reclassified as non-current inventory. That the Group is now back in full production and Gilar has started production means that this ore will not be processed in 2025. Trade and other receivables increased by $2.6m due to an increase of $5.5m of gold held on behalf of the Government of Azerbaijan. This was 2,862 ounces of gold valued at the market price of gold at 31 December 2024. This balance is offset by an other creditor of equal amount.

The Group's cash balances at 31 December 2024 were $0.9m (31 December 2023: $4.5m) and restricted cash of $6.0m (31 December 2023: $6.0m) which is not available for use by the Group as it is security for a loan. Surplus cash during the year was maintained in US dollars and was placed on fixed deposit with banks in Azerbaijan at tenors of between one to three months at interest rates of around 1.5 to 4.0 per cent.

Liabilities

Current liabilities at 31 December 2024 were $38.9m (31 December 2023: $23.4m). Trade and other payables increased by $10.5m. Trade creditors increased from $2.7m at 31 December 2023 to $5.5m at 31 December 2024 as a result of actions to manage working capital. Gold held on behalf of the Government of Azerbaijan increased from $2.0m to $7.5m as set out above in current assets. Current liabilities at 31 December 2024 also included a $3.4m (31 December 2023: $nil) creditor for geological data. This amount was reclassified to current from non-current liabilities in 2024 as it is due for payment in 2025.

The Group commenced borrowing in 2023 to finance the capital expenditure of developing its assets and the partial suspension of processing operations from August 2023. Total bank borrowings at fair value including interest at 31 December 2024 were $21.6m (31 December 2023: $20.7m). Three loans totalling $5.0m from the International Bank of Azerbaijan ("IBA") which matured in May 2024 were consolidated into one loan of $5.0m at 6 per cent. per annum and extended till May 2025. In May 2025, it was further extended to May 2026. The Group also had an existing $10.0m loan from IBA at 6.5 per cent. per annum of which $7.9m was outstanding at 31 December 2024

(2023: $10.0m). The Group also had a loan from Access Bank of $5.6m throughout the year which was secured against a $6.0m cash deposit. The loan from Access Bank was extended to November 2025.

The Group received the proceeds of a vendor financing facility with Caterpillar Financial Services Corporation ("Caterpillar") in 2024 of $3.7m. The interest rate is CME Term SOFR rate plus a margin of 2 per cent. and repayment of capital is by 12 equal quarterly instalments. The amount outstanding at 31 December 2024 was $3.1m. The loan is subject to net debt to EBITDA and net worth covenants. The Group did not comply with these covenants at 31 December 2024 and therefore in accordance with the amendments to IAS 1, the entire loan has been classified as a current liability. The net worth covenant at 31 December 2024 had been waived by Caterpillar as part of the terms of the loan. Subsequent to 31 December 2024, the Group was granted a waiver by Caterpillar of the net debt to EBITDA covenant at 31 December 2024.

Non-current liabilities included trade and other payables of $0.5m (2023: $4.2m). 2023 included $3.1m in respect of the purchase of historical exploration data of Xarxar and Garadag. This liability is payable in 2025 and has been included in current liabilities at 31 December 2024.

Net assets

Net current assets were $3.9m at the end of 2024 compared to $36.1m at the end of 2023. The net current assets decreased due to an increase in current liabilities of $15.6m and a decrease in current assets of $16.6m.

Net assets of the Group at the end of 2024 were $67.4m (2023: $84.8m). The net assets were lower due to a decrease in retained earnings as a result of the loss in 2024. There were no shares issued or bought back in 2024.

Equity

The Group's gearing ratio at 31 December 2023 and December 2024 was 27.4 per cent. and 35.3 per cent. respectively. The calculation of the gearing ratio is set out in note 25 – financial instruments to the Group financial statements.

There were no movements of the Group's share capital, merger reserve and share premium account in 2024. The Group's holding company did not buy back any ordinary shares in 2023 or 2024. 150,000 ordinary shares were bought back in 2022 which have not been cancelled and are held in treasury. No dividends were paid in 2024.

Group cash flow statement

Operating cash outflow before movements in working capital for 2024 was $6.6m (2023: $1.0m). Operating cash was severely reduced in the year due to the lower production arising from the suspension of processing.

Working capital movements generated cash of $15.2m (2023: $2.0m) due to a decrease in inventories which were lower by $9.9m (2023: higher by $0.1m) and trade and other receivables which were lower by $3.4m (2023: $4.6m).

Cash from operations in 2024 was $8.6m compared to $1.0m in 2023 due to the cash flow from working capital of $13.9m.

The Company paid corporation tax in 2024 of $nil (2023: $0.1m) in Azerbaijan in accordance with local requirements as it incurred losses. The payment in 2023 was the final payment of its liability for the year ended 31 December 2022. The Group has tax losses carried forward in Azerbaijan at 31 December 2024 of $22.4m (2023:17.3m).

Expenditure on property, plant and equipment and mine development in 2024 were $8.9m (2023: $18.0m). The main additions in 2024 were the development costs of the Gilar mine and the cost of the first stage of the Gedabek tailings dam wall raise.

Expenditure on intangible assets in 2024 was $2.1m (2023: $7.2m) which was expenditure on exploration and evaluation. The main expenditure on exploration and evaluation expenditure was $0.7m (2023: $2.1m), $0.5m (2023: $0.6m) and $0.4m (2023: $0.1m) at Gedabek, Ordubad and Garadag respectively. Expenditure on exploration and evaluation in 2024 was curtailed to conserve funds due to the partial suspension of processing in the year.

Dividends

In respect of the year ended 31 December 2024, the Group did not pay an interim dividend and no final dividend is proposed (2023: $nil).

A legal review was carried out in early 2025, of the distributions made to shareholders by Anglo Asian Mining plc, following an enquiry from the United Kingdom Financial Reporting Council in late 2024. The review found that the Group's subsidiaries have ample distributable reserves which can be distributed to Anglo Asian Mining PLC, to pay dividends to shareholders and buy back shares. However, certain technical provisions of the Companies Act 2006 had not been complied with in making those distributions. To rectify the situation, various actions will be undertaken to correct the situation in 2025 following the Group's annual general meeting for 2025 including convening a general meeting so shareholders can approve the required resolutions.

Production Sharing Agreement

Under the terms of the Production Sharing Agreement (the "PSA") with the Government of Azerbaijan (the "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 carried forward 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 from the total production and total costs for each Contract Area. Costs incurred in one Contract Area cannot be offset against production of a different Contract Area. Unrecovered costs can only be recovered against future production from their respective contract area.

Profit Production for the Group has been subject to the minimum 25 per cent. for all years since commencement of production including 2024 for the Gedabek Contract Area. The Government's share of production in 2024 (as in all previous years) was therefore 12.75 per cent. being 51 per cent. of 25 per cent. with the Group entitled to the remaining 87.25 per cent. The Group was therefore subject to an effective royalty on its revenues in 2024 of 12.75 per cent. (2023: 12.75 per cent.) of the value of its production at Gedabek.

Financial review *continued*

Production Sharing Agreement continued

The Group produced gold and silver for the first time in 2021 from its Vejnaly Contract Area and the metal produced was sold for a total of $1.6m in 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 transport and processing costs. Mining costs were not available for offset as the metal was produced from ore stockpiled at Vejnaly by the previous owner.

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 (operating costs and capital expenditure) for the Group's eight contract areas are as follows:

Contract area	Total unrecovered costs ($m) 31 December 2024	31 December 2023
Gedabek	82.0	64.2
Gosha	38.3	34.8
Ordubad	36.6	33.0
Vejnaly	2.3	1.9
Garadag*	1.4	1.2
Xarxar*	3.9	3.4
Demirli	0.3	—
Kyzlbulag	—	—

* *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 year ended 31 December 2024. 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.

Calculation of non-IFRS financial indicators

Net debt/cash

Calculated as the cash and cash equivalents minus current and non-current interest-bearing loans and borrowings.

Free cash flow

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.

Going concern

Preparation of financial statements on a going concern basis

The directors have prepared the Group financial statements on a going concern basis after reviewing the Group's forecast cash position for the period to 30 June 2026 (the "going concern review period") and satisfying themselves that the Group will have sufficient funds on hand to meet its obligations as and when they fall due over the period of their assessment. Appropriate rigour and diligence have been applied by the directors who believe the assumptions are prepared on a realistic basis using the best available information.

Main business of the Group

The Group produces primarily gold and copper at its Gedabek mining concession in northwestern 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. The Group's new Gilar underground mine will also substantially increase production in 2025 as its ore is much richer than from its current mines. The Gilar mine extracted its first ore in March 2025 and started production in May 2025 with production ramping up to 50,000 to 60,000 tonnes per month.

The Group is also expecting to start copper production from its Demirli plant in the going concern review period with first production expected in the second half of 2025.

Curtailment of agitation leaching and flotation processing and tailings dam wall raise in 2024

Agitation leaching and flotation processing was suspended throughout most of 2024 whilst permission was obtained from the Government of Azerbaijan (the "Government") to raise the wall of its tailings dam. Permission was obtained in August 2024, and the first raise of the tailings dam wall was completed in November 2024. Agitation leaching recommenced in September 2024 and flotation processing in November 2024. It is expected the second raise of the tailings dam wall will be completed in the second half of 2025. This will give the tailings dam enough capacity for production at Gedabek for the next two to three years.

Start of production from Demirli

The Group's Demirli plant is expected to start production in the second half of 2025. A $7.0 million loan is being finalised to finance the refurbishment of the plant. The plant is expected to be cash generative once in production. Any initial cash shortfalls as it commences production due to working capital or other requirements can be met from the cash generated from the Group's Gedabek operations. The Group is also finalising a contract with Trafigura Pte Ltd. ("Trafigura") for the purchase of its copper concentrate produced at Demirli. The contract will include a revolving prepayment facility of up to $25 million at an interest rate of SOFR plus 4 per cent. per annum.

Financial condition and credit facilities available to the Group

The Group had cash reserves of $12.5 million (including $6.0 million restricted cash) and debt of $21.3 million at 31 March 2025. The directors have prepared a cash flow forecast for the Gedabek site that assumes production is consistent with the business plan and a gold price of $2,600 to $2,800 for 2025 and 2026.

The Gedabek site cash flow forecast shows the Group is able to fund its working capital requirements from cash generated from its operations at Gedabek. The cash flow also shows that the Group is able to fund its capital expenditure requirements at Gedabek from its existing cash flow. The Group generated $1.0 million of overall positive cash flow in the first quarter of 2025. A cash flow forecast has also been prepared for the Group's new Demirli operation which shows that production will be cash positive from the start of production.

The Group has in place an AZN 55 million ($32.3 million) General credit agreement with the International Bank of Azerbaijan ("IBA") with minimal conditions on drawdown. The Group has borrowed $10.0 million under this facility of which $2.2 million was repaid in 2024. The balance is repayable between May 2025 to May 2026. The Group has also borrowed $5.0 million under the facility which was originally repayable in May 2024. The repayment of the $5.0 million loan was extended by one year to May 2025, and in May 2025 was further extended by one year to May 2026. The Group is currently finalising a further $7.0 million loan under the General credit agreement. This loan of $7.0 million will be used to fund the refurbishment of Demirli operation.

The Group also finances its operations using concentrate prepayment facilities established with Trafigura and other offtakers. A 3-month revolving, $5.0 million to $10.0 million prepayment facility has been established with Trafigura for concentrate produced at Gedabek. At 31 March 2025, $5.0 million was outstanding under this facility. The Group is also finalising a contract with Trafigura Pte Ltd. ("Trafigura") for the purchase of its copper concentrate produced at Demirli. The contract will include a revolving prepayment facility of up to $25 million at an interest rate of SOFR plus 4 per cent. per annum.

The Group closed a vendor refinancing in 2024 as part of the purchase consideration of its Caterpillar mining fleet and received proceeds of $3.7 million. $2.8 million is outstanding at 31 March 2025 and the loan will be repaid in quarterly instalments with the final instalment in July 2027. The Group was in breach of the net worth and net debt to EBITDA covenants of the loan at 31 December 2024. However, subsequent to 31 December 2024, the Group was granted a waiver of the net debt to EBITDA covenant at 31 December 2024. The net worth covenant was not in force at 31 December 2024.

Directors' going concern opinion

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 on pages 7 and 8, the president and chief executive's review on pages 9 and 10 and the strategic report on pages 12 to 27. The financial position of the Group, its cash flow, liquidity position and borrowing facilities are discussed within the financial review on pages 41 to 45. In addition, note 25 to the Group financial statements includes the Group's financial management risk objectives and details of its financial instrument exposures to credit risk and liquidity risk.

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

W R Morgan

William Morgan
Chief financial officer
21 May 2025

Board of directors

Our experienced board

Khosrow Zamani*

Non-executive chairman

Age: 82 A R N

Former director Southern Europe and Central Asia of the International Finance Corporation ("IFC") from 2000 – 2005. Oversaw the IFC portfolio of more than $2 billion, diversified across the financial, oil and gas and mining industries.

Over 30 years' experience in investment and project finance and banking in emerging markets.

Formerly non-executive board member and chairman of the corporate governance committee of Sekerbank A.S. and non-executive director of the compensation committee of Komercijalna Bank, Serbia.

Reza Vaziri

President and chief executive

Age: 72 H

Head of the foreign relations office at the ministry of the Imperial Court of Iran before moving to the US in 1980.

Prominent businessman in Azerbaijan.

Holds a law degree from the national university of Iran.

Governor John H Sununu

Non-executive director

Age: 85 A R N

Two terms Governor of New Hampshire, USA. Former chief of staff to President George H.W. Bush 1989-1992.

Former partner in Trinity International Partners and currently serves as President of JHS Associates, Ltd.

Professor John Monhemius*

Non-executive director

Age: 82 H S

Over 40 years' experience in hydrometallurgy and environmental control in mining and metallurgical processes.

Co-founder and director of Consort Research Ltd, a consultancy to large mining and chemical companies specialising in gold and base metal ore processing.

Former director of Obtala Resources plc.

Michael Sununu

Non-executive director

Age: 57

Wealth of financial and directorial experience and former board member of Optima Bank & Trust.

Founder and Manager of Sununu Enterprises LLC and Sununu Holdings LLC and consultant to energy, materials and infrastructure industries.

Holds a BSc from the Massachusetts Institute of Technology and an MBA from the Kellogg School at Northwestern University majoring in finance and accounting.

Member of the board of Purpose Energy Inc. and member of the Investment Committee for the New Hampshire Historical Society.

A Audit committee

H Health, safety, environmental and technical committee

R Remuneration committee

N Nomination committee

S Sustainability committee

* *Independent non-executive director*

Senior management

Our leadership team

Farhang Hedjazi

Chief operating officer

Worked in the industry since 1985 and has constructed process plants including zinc smelters, CIL plants, gold heap leach facilities and managed underground mines. Oversees all mining and exploration activities.

Previously worked for the national Iranian lead and zinc company as chief process engineer, before founding Kahanroba engineering company.

Holds an MSc in non-ferrous extractive metallurgy.

William Morgan

Chief financial officer
Company secretary

UK chartered accountant with over 45 years accountancy and financial management experience in the UK, Far East, Africa, Kazakhstan and Russia.

Previously regional CFO for Kinross – Russia Region, CFO Hambledon Mining plc and Bakyrchik Gold plc.

20 plus years of experience in the gold mining industry in Russia/FSU.

Stephen Westhead

Vice president, Azerbaijan International Mining Company

UK chartered geologist with over 30 years of experience in India, CIS, Eastern Europe and Russia.

Previously technical advisor to the managing director of Polyus Gold's main business unit. Project management expertise from exploration, construction and production.

PhD in structural controls on mineralisation, a MSc in mineral exploration and mining geology and a BSc in applied geology.

Amirreza Vaziri

Director, business development

Previous roles ranging from co-founder and CEO of a tech start-up to director of business development at an international technology company.

Strong focus on partnerships and M&A, in line with the Company's strategic vision for growth.

Holds a BA in international business from the University of Maryland's Smith School of Business, MSc in international management from Kings College London.

Corporate governance

Introduction

The board of directors (the "Board") applied throughout 2024 the principles of the 2018 Quoted Companies Alliance Corporate Governance Code (the "QCA Code") to support the Company's corporate governance framework. The directors acknowledge the importance of the ten principles set out in the QCA Code. The QCA Code is a code of best practice for AIM companies.

Set out below are the ten principles of corporate governance in the QCA Code, the Company's compliance with each of the ten principles and the required annual report and accounts disclosure. A table of the ten principles is also available on the Company website (www.angloasianmining.com/corporate-and-social-responsibility/corporate-governance/) which also sets out the Company's compliance, or an explanation for any non-compliance, with the QCA Code.

Chairman's corporate governance statement

The responsibility for corporate governance of the Group is that of the Chairman of the Board. The Board believes the application of, and the compliance with, the QCA Code supports the Group in pursuing medium to long-term value for shareholders, without stifling entrepreneurial spirits and creativity. The Board is satisfied that the ten principles of the QCA Code are well applied. However, some principles are applied informally, and not through formal mechanisms, due to the small size of the Group. The Board recognises the need to continue to review and develop governance practices and structures, to ensure they are in line with the growth and strategic plan of the Group. There have been no corporate governance matters which require reporting upon, and no significant changes in corporate governance, during 2024.

Compliance with the principles of the QCA Code

1 **Establish a strategy and business model which promote long term value for shareholders**

The Company has a portfolio of gold, copper and silver exploration and production assets in Azerbaijan. The Company has a clear strategy of growing a sustainable mining business in Azerbaijan which is fully set out in the chairman's statement, the president and chief executive's review, the strategic report, the sustainability and environment report and other sections of this annual report. As with any other company in the extractive industries, a key challenge is to replace the mineral resources mined. The Company maintains an active geological exploration programme to identify new mineral resources. However, this programme was severely curtailed in 2024 due to the cost containment measures adopted arising from the partial shut-down of processing throughout much of 2024. This programme is being restarted in 2025 as funds permit.

The Company seeks to grow shareholder value by developing new mines within its mining concessions. During 2024, the development continued of Gilar, a major new underground mine at Gedabek. The Group also commenced work on restarting production at Demirli, a brownfield copper project, which was acquired in 2022. The Company also seeks to promote long term value for shareholders by producing mineral resource estimates for its mineral deposits to JORC standards. In 2024, the Company published maiden JORC mineral resource estimates for both its Xarxar and Garadag mineral deposits. The Group also has a small equity interest in Libero Copper & Gold Corporation which is exploring the Mocoa copper deposit in Colombia.

A key challenge is the safe working of its operations, and this annual report sets out measures adopted by the Company in 2024 to address this challenge.

2 **Seek to understand and meet shareholders' needs and expectations**

The Board maintains an extensive two-way dialogue with its shareholders. The Board meets shareholders at its annual general meeting each year. Directors and senior management regularly meet shareholders at investor events and other forums. Individual meetings are held with larger shareholders who occasionally visit the Company's operations in Azerbaijan.

The Company also regularly updates shareholders on its activities through press releases via the LSE RNS and RNS Reach systems. Podcasts and video interviews by senior management are also disseminated via well-known investor websites such as Proactive. The Company has an active and effective investor relations programme that includes institutional roadshows and presentations. The Company website is monitored and regularly updated to be a current and comprehensive source of information to stakeholders. The Company also uses social media to communicate with shareholders and has a dedicated LinkedIn account at www.linkedin.com/company/anglo-asian-mining-plc/.

3 **Take into account wider stakeholder and social responsibilities and their implications for long term success**

The Company takes its wider responsibilities for corporate and social responsibilities very seriously and has contributed to the economic and social development of the local communities in which it operates. This includes refurbishing schools and building infrastructure in the region and assisting local agriculture. The Company regularly meets with community leaders in the areas in which it operates. The Company also established a community relations department at Gedabek in 2023 to liaise with the local community. A full time, dedicated government affairs and community relations manager heads the department.

A health, safety and environmental review was carried out by a third party at the Gedabek mine site in July 2023 following concerns by local residents that there was contamination of the local environment. No material environmental contamination was found. In November 2023, the Company agreed an action plan with the Government of Azerbaijan to address associated recommendations contained in the final report of the environmental review. Actions to implement all the recommendations in the final report continued in 2024 with all the immediate and short-term recommendations broadly completed by 31 December 2024. Various long-term recommendations are still being addressed in 2025.

In addition, the Company uses the annual report and financial statements, the interim statements and its website (www.angloasianmining.com) to provide further information to shareholders and wider stakeholders.

4 Embed effective risk management, considering both opportunities and threats, throughout the organisation

The Company and its directors have identified and keep under consideration the risks facing the Company. It has an established framework of internal financial controls including an audit committee to address financial risks. The Company does not have a formal corporate risk management programme for non-financial risks although the Board regularly discuss and review exposure and management of all risks. The requirement for a formal risk management programme is kept under review and the Company may reassess the need to establish such a programme in the future.

The Group maintains appropriate insurance cover in respect of legal actions against the directors as well as against material loss or claims against the Group and the Group and the Board review the adequacy of the cover regularly.

The principal risks and uncertainties section of this annual report details a number of other risks which the Company is subject to and how these are addressed. In particular:

a. country risk;

b. operational risk;

c. commodity price risk;

d. foreign currency risk; and

e. liquidity and interest rate risk.

One of the main corporate risks is the safe operation of its mines and processing operations. To address this specific risk, the Company has a well-developed and adequately staffed health, safety and environmental ("HSE") department to ensure safe and clean working at its mines and processing sites. This department was strengthened in early 2025. The Company also has a health, safety, environmental and technical ("HSET") committee comprising John Monhemius and Reza Vaziri. The committee's primary function is to assist the Board in fulfilling its HSE oversight responsibilities. Its oversight responsibilities are set out in section 9 on page 50.

The HSET committee, chaired by John Monhemius, convened twice during 2024 at the Gedabek mining site. The committee discussed all aspects of the safe operation of its mines and processing plants and any reportable safety incidents together with recommendations and follow-up actions from previous meetings.

The Company established a sustainability committee in 2024. The committee is chaired by John Monhemius. This convened twice during 2024 at the Gedabek mine site. The committee discusses all aspects of the sustainability of the Group's operations. An outside expert on sustainability matters has also been appointed and attended the second meeting of the committee in 2024. The consultant will also attend all future committee meetings.

The Company reports in its annual report climate related disclosures in accordance with the Task Force on Climate-related Financial Disclosures ('TCFD'). The responsibility for these disclosures has been taken over by the IFRS Foundation following the disbanding of the TCFD in October 2023.

5 Maintain the Board as a well-functioning, balanced team led by the chair

The Board is a well-balanced team including specialists of the major technical disciplines required in the mining industry. Their names and biographies are set out in this annual report on page 46. Two of the five directors, being Khosrow Zamani and Professor John Monhemius, are independent. The Company's board composition complies with the QCA Code and each independent director has been assessed and is considered to be independent by the Board. The biographies of Board members of the Company are also available on the Company website at www.angloasianmining.com/about-us/board-of-directors/.

The number of board meetings held during 2024, and the attendance of the directors are as follows:

	Number of board meetings each director attended				
Number of board meetings in 2024	**John Monhemius**	**Michael Sununu**	**John Sununu**	**Reza Vaziri**	**Khosrow Zamani**
16	15	16	16	16	16

All directors are expected to devote the necessary time commitments required by their position and are expected to attend at least six board meetings each year.

The role and duties of the audit, nomination and remuneration committees are set out in the respective reports of the committees in section 10 below. The respective reports also set out the number of times the committees met in the year and the attendance of the directors.

The meetings of the health, safety, environment and technological committee are set out in section 4 above.

6 Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities

The directors are all highly experienced with a total over 200 years of experience in all areas of business, particularly the natural resource industries. All directors are able to seek outside advice wherever necessary. The Company's chief financial officer acted as Company Secretary throughout 2024. He was supported by an employee of the Company who is highly experienced in company secretarial and related legal matters. The Board has a nomination committee which reviews and considers the Board structure and composition. The nomination committee meets as required to consider and make recommendations on the appointment of directors to the Board and senior management as well as recommendations in relation to professional training and development. The biographies of the directors can be found on page 46 of this annual report and on the Company website at www.angloasianmining.com/about-us/board-of-directors.

The Group has a sustainability committee chaired by Professor John Monhemius. The Board has contracted with an outside consultant whose role is to support sustainable business. The consultant advises on all aspects of sustainability and on wider aspects of Environmental, Social and Governance ("ESG").

There is no formal process to keep directors' skill sets up-to-date given their wealth of experience. However, appropriate training is given when necessary. In 2024, a training workshop for the directors was organised by external climate change consultants on the identification of climate change risks.

Corporate governance *continued*

Compliance with the principles of the QCA Code continued

6 Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities continued

The Company's broker and NOMAD (S P Angel Corporate Finance LLP) advised the Board on various regulatory and commercial matters during 2024.

Ernst & Young LLP provided tax compliance services which comprised preparing and submitting the UK tax computations for the two England and Wales incorporated companies for the year ended 31 December 2023. Ernst & Young LLP were the Group's auditor for the year ended 31 December 2023. Ernst & Young LLP resigned in 2024 and were replaced by BDO LLP as the Group's auditor for the year ended 31 December 2024.

7 Evaluate board performance based on clear and relevant objectives, seeking continuous improvement

The Board believes its clear objective is the financial performance of the business whilst closely ensuring the interests of all other stakeholders are properly upheld. The financial performance of the business is closely monitored. The Company reviews board, committee and individual director performance on an ongoing basis in the context of their contribution to the Company's financial performance. The chairperson will normally take leadership of the performance assessment process and allows for feedback from other board members about their performance.

8 Promote a corporate culture that is based on ethical values and behaviours

The Company operates to the highest ethical standards. The Board is very mindful that it operates in the extractive industries in an emerging market economy. Accordingly, the Board takes every opportunity, including the induction process of senior management, to reinforce its high ethical standards. A large part of the Company's activities is centred upon what needs to be an open and respectful dialogue with employees, clients and other stakeholders. Therefore, the importance of sound ethical values and behaviour is crucial to the ability of the Company to successfully achieve its corporate objectives. The Company is also aware that the safe operation of its mines and processing plants is determined in large part by a culture which is highly "safety conscious". The Board has taken actions during the year to promote this culture of safe working such as strengthening its HSE department and regular safety reviews.

There is no formal mechanism to monitor the Company's corporate culture which the Board believes is appropriate given the size of the business. However, the Board investigates very thoroughly any instance of serious malpractice etc. which is brought to its attention. There were no instances during 2024 of any failing of the Company due to poor culture brought to the attention of the Board.

The effectiveness of the "safety conscious" culture is monitored directly by the HSET committee and indirectly through the number of reported safety incidents etc.

The Company has adopted, with effect from the date on which its shares were admitted to AIM, a code for directors' and employees' dealings in securities which is appropriate for a company whose securities are traded on AIM and is in accordance with AIM Rule 21 of the requirements of the Market Abuse Regulation which came into effect in 2016.

9 Maintain governance structures and processes that are fit for purpose and support good decision-making by the board

The Company's governance structures are appropriate for a company of its size and all necessary committees such as audit and remuneration regularly meet. The Board also meets regularly and the directors continuously maintain an informal dialogue between themselves.

The Board has audit, nomination and remuneration committees. The role and duties of the audit, nomination and remuneration committees are set out in the respective reports of the committees in section 10 below.

The Board has a health, safety, environmental and technical committee which comprises John Monhemius and Reza Vaziri and meets as required. The committee's primary function is to assist the Board in fulfilling its oversight responsibilities in the following areas:

- health, safety, environmental and technical issues relating to the Company;
- the Company's compliance with corporate policies that provide processes, procedures and standards to follow in accomplishing the Company's goals and objectives relating to health, safety and environmental issues, to ensure that the Company's operations and work practices comply as far as is practicable with the best international standards; and
- the management of risk related to health, safety, environmental and technical issues.

10 Communicate how the Company is governed by maintaining a dialogue with shareholders and other relevant stakeholders

The Company maintains an adequate dialogue with its shareholders as set out in section 2 above. The Company is committed to providing full and transparent disclosure of its activities, via the RNS and RNS Reach systems of the London Stock Exchange. Furthermore, the historical annual reports and interim accounts are available on the Company website at www.angloasianmining.com.

Details of all shareholder communications are provided on the Company website. The Board holds meetings with larger shareholders and regards the annual general meeting as a good opportunity to communicate directly with all shareholders, including presentations on current business that are subsequently made available on the website.

The outcome of each vote in the annual general meeting is always reported to shareholders and released as an RNS on the market announcements platform. It can also be obtained on the Company website.

There is a formal process of maintaining the relationship between the Company and the Government of Azerbaijan.

10.1 Report of the audit committee

Members of the audit committee

The members of the audit committee comprise John Sununu and Khosrow Zamani. The chief financial officer is invited to all meetings of the audit committee. A highly experienced accountant is also employed by the Company to provide technical advice to the audit committee.

Role of the audit committee

The main duties of the audit committee are as follows:

- provide formal and transparent arrangements for considering the application of all applicable financial reporting standards;
- ensure the interim and full year financial statements are properly prepared in accordance with all applicable accounting standards, legal and all other requirements and reflect best practice;
- review the findings of any management letter or other communication from the external auditor regarding internal controls;
- ensure the full year financial statements are audited by the external auditor in accordance with all applicable audit standards, legal and other requirements;
- assessment of the need for an internal audit function; and
- ensure the independence and objectivity of the external auditor and approve all non-audit work by the external auditor.

Meetings of the audit committee held in 2024

The audit committee met two times in 2024:

- to approve the financial statements for the year ended 31 December 2023; and
- to approve the financial statements for the six months ended 30 June 2024.

John Sununu, Khosrow Zamani and William Morgan attended all audit committee meetings. Ernst & Young LLP attended the audit committee meeting to approve the financial statements for the year ended 31 December 2023.

Appointment of BDO LLP as Group auditors

In 2024, Ernst & Young LLP resigned as Group auditor. BDO LLP was appointed in their place as auditor of the Group accounts for the year ended 31 December 2024. Ernst & Young LLP had been the Group's auditor since 2009 and this rotation of auditor is in accordance with best corporate governance practice. Ernst & Young Holdings (CIS) Azerbaijan branch office ("E&Y Azerbaijan") provide certain audit and other services to the Group. The appointment of BDO LLP will also ensure that no conflicts arise under the auditor independence rules in respect of E&Y Azerbaijan continuing to perform these services.

Non-audit work

Ernst & Young LLP performed certain tax compliance work as set out in section 6 above and note 8 to the Group financial statements. This work was approved by the audit committee as it did not affect the independence or objectivity of the external auditor. BDO LLP did not perform any non-audit work in 2024.

Internal audit

The Group does not currently have an internal audit function due to the small size of the Group and limited resources available. The requirement for an internal audit function is kept under review.

Whistleblowing

The Group does not currently have a formal whistleblowing policy due to the small size of the Group. The Group maintains a very open dialogue with all its employees which gives every opportunity for employees to raise concerns about possible improprieties in financial reporting or other matters.

10.2 Report of the remuneration committee

The remuneration committee comprises Khosrow Zamani and John Sununu and meets as required. It is the remuneration committee's role to establish a formal and transparent policy on executive remuneration and to set remuneration packages for individual directors. The committee did not meet in 2024 as there were no change to the remuneration of the directors in the year.

The remuneration paid to the directors is disclosed in the report on directors' remuneration on page 56.

10.3 Report of the nomination committee

The nomination committee comprises Khosrow Zamani and John Sununu and meets as required. It is the role of the nomination committee to review and consider the Board structure and composition and to consider and make recommendations on the appointment of directors to the Board. The committee did not meet in 2024 as there were no changes to the composition of the Board.

Directors' report

for the year ended 31 December 2024

Annual report and financial statements

The directors present their annual report together with the audited Group financial statements on pages 65 to 103.

Principal activities

The Group's principal activity during the year was the production of gold and silver doré and copper and precious metal concentrate from the Gedabek contract area in western Azerbaijan.

Business review and future prospects

A review of the activities of the business throughout the year and up to 21 May 2025 is set out in the chairman's statement on pages 7 and 8, the president and chief executive's review on pages 9 and 10, and the strategic report on pages 12 to 27 which includes information on the Group's risks, uncertainties and key performance indicators. These sections are incorporated in this directors' report by reference.

Dividends

Full details of the Company's dividend policy is set out in the chairman's statement on pages 7 and 8, the financial review on pages 41 to 45 and note 30 – "Dividends paid", to the Group financial statements. The Group has not paid or proposed a dividend in respect of the years ended 31 December 2023 and 31 December 2024.

Capital structure

Details of the Company's authorised and issued share capital, together with the movements for the years ended 31 December 2023 and 2024 are disclosed in note 26 – 'Share capital and merger reserve' to the Group financial statements. The Company has one class of ordinary share and they carry no right to fixed income. Each ordinary share carries the right to one vote at general meetings of the Company. All issued ordinary shares are fully paid.

There are no specific restrictions on the size of a holding or on the transfer of the ordinary shares, which are both governed by the general provisions of the articles of association and prevailing legislation. The directors are not aware of any agreements between holders of the Company's ordinary shares that may result in restrictions on the transfer of securities or on voting rights.

Certain directors own ordinary shares in the Company and certain parties own 3 per cent. or more of the ordinary shares in the Company. These holdings are set out in the 'Directors' interests' and 'Substantial shareholders' sections of this directors' report. No person has any special rights of control over the Company's share capital.

The Company was granted power at its annual general meeting for 2024 to buy back up to 10 per cent. of its issued ordinary shares. No treasury shares were acquired in 2024.

The Company has a scheme to grant directors and employees options to acquire ordinary shares. The share options granted and details of the scheme are disclosed in note 29 – 'Share-based payment' to the Group financial statements.

With regard to the appointment and replacement of directors, the Company is governed by its articles of association, the Companies Act 2006 and related legislation. It also complies with the Quoted Companies Alliance Corporate Governance Code. The articles of association themselves may be amended by special resolution of the shareholders. The powers of the directors are described in the corporate governance report on pages 48 to 51 of this annual report.

Under its articles of association, the Company has authority to issue 600 million ordinary shares.

There are no agreements to which the Company is a party that take effect, alter or terminate upon a change of control of the Company following a takeover bid. There are also no agreements to which the Company is a party which provide for compensation for loss of office or employment that occurs because of a takeover bid.

Directors

The directors who served during the year and up to 21 May 2025 are as follows and further details are set out on page 46 of this annual report:

Professor John Monhemius

Governor John Sununu

Mr Michael Sununu

Mr Reza Vaziri

Mr Khosrow Zamani

Professor John Monhemius retires by rotation at the next annual general meeting and, being eligible, offers himself for re-election.

Company secretary

William Morgan
33 St James's Square
London SW1Y 4JS
United Kingdom

Registered office

33 St James's Square
London SW1Y 4JS
United Kingdom

Registration of the Company

The Company is registered in England and Wales.
Its registered number is 5227012.

Directors' interests

The beneficial interests of the directors who held office at 31 December 2024 and their connected parties in the share capital of the Company at 31 December were as follows:

	2024 Number of ordinary shares	2023 Number of ordinary shares
John Monhemius	**366,890**	366,890
Michael Sununu	**9,171,825**	—
John Sununu	**1,562,715**	10,734,540
Reza Vaziri	**32,796,830**	32,796,830
Khosrow Zamani	**1,457,982**	1,457,982

The interest of Michael Sununu is held by Sununu Holdings LLC, a company managed by Michael Sununu, of which he is a beneficiary. All other directors' interests are beneficially held.

Purchase of shares for treasury

The Company did not buy back any of its ordinary shares in the years ended 31 December 2023 and 31 December 2024.

Directors' insurance

The Company has made qualifying third-party provision for the benefit of its directors during the year which remains in force at the date of this report.

Substantial shareholders

The Company has been notified of the following interests of 3 per cent. or more in its issued share capital as at 21 May 2025:

	Number of ordinary shares	Per cent.
Reza Vaziri	32,796,830	28.7
Sununu Holdings LLC	9,171,825	8.0
Limelight Industrial Developments	4,038,600	3.5

Going concern

Preparation of financial statements on a going concern basis

The directors have prepared the Group financial statements on a going concern basis after reviewing the Group's forecast cash position for the period to 30 June 2026 (the "going concern review period") and satisfying themselves that the Group will have sufficient funds on hand to meet its obligations as and when they fall due over the period of their assessment. Appropriate rigour and diligence have been applied by the directors who believe the assumptions are prepared on a realistic basis using the best available information.

Main business of the Group

The Group produces primarily gold and copper at its Gedabek mining concession in northwestern 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. The Group's new Gilar underground mine will also substantially increase production in 2025 as its ore is much richer than from its current mines. The Gilar mine extracted its first ore in March 2025 and started production in May 2025 with production ramping up to 50,000 to 60,000 tonnes per month.

The Group is also expecting to start copper production from its Demirli plant in the going concern review period with first production expected in the second half of 2025.

Curtailment of agitation leaching and flotation processing and tailings dam wall raise in 2024

Agitation leaching and flotation processing was suspended throughout most of 2024 whilst permission was obtained from the Government of Azerbaijan (the "Government") to raise the wall of its tailings dam. Permission was obtained in August 2024, and the first raise of the tailings dam wall was completed in November 2024. Agitation leaching recommenced in September 2024 and flotation processing in November 2024. It is expected the second raise of the tailings dam wall will be completed in the second half of 2025. This will give the tailings dam enough capacity for production at Gedabek for the next two to three years.

Start of production from Demirli

The Group's Demirli plant is expected to start production in the second half of 2025. A $7.0 million loan is being finalised to finance the refurbishment of the plant. The plant is expected to be cash generative once in production. Any initial cash shortfalls as it commences production due to working capital or other requirements can be met from the cash generated from the Group's Gedabek operations. The Group is also finalising a contract with Trafigura Pte Ltd. ("Trafigura") for the purchase of its copper concentrate produced at Demirli. The contract will include a revolving prepayment facility of up to $25 million at an interest rate of SOFR plus 4 per cent. per annum.

Directors' report *continued*

year ended 31 December 2024

Going concern continued

Financial condition and credit facilities available to the Group

The Group had cash reserves of $12.5 million (including $6.0 million restricted cash) and debt of $21.3 million at 31 March 2025. The directors have prepared a cash flow forecast for the Gedabek site that assumes production is consistent with the business plan and a gold price of $2,600 to $2,800 for 2025 and 2026.

The Gedabek site cash flow forecast shows the Group is able to fund its working capital requirements from cash generated from its operations at Gedabek. The cash flow also shows that the Group is able to fund its capital expenditure requirements at Gedabek from its existing cash flow. The Group generated $1.0 million of overall positive cash flow in the first quarter of 2025. A cash flow forecast has also been prepared for the Group's new Demirli operation which shows that production will be cash positive from the start of production.

The Group has in place an AZN 55 million ($32.3 million) General credit agreement with the International Bank of Azerbaijan ("IBA") with minimal conditions on drawdown. The Group has borrowed $10.0 million under this facility of which $2.2 million was repaid in 2024. The balance is repayable between May 2025 to May 2026. The Group has also borrowed $5.0 million under the facility which was originally repayable in May 2024. The repayment of the $5.0 million loan was extended by one year to May 2025, and in May 2025 was further extended by one year to May 2026. The Group is currently finalising a further $7.0 million loan under the General credit agreement. This loan will be used to fund the refurbishment of Demirli operation.

The Group also finances its operations using concentrate prepayment facilities established with Trafigura and other offtakers. A 3-month revolving, $5.0 million to $10.0 million prepayment facility has been established with Trafigura for concentrate produced at Gedabek. At 31 March 2025, $5.0 million was outstanding under this facility. The Group is also finalising a contract with Trafigura Pte Ltd. ("Trafigura") for the purchase of its copper concentrate produced at Demirli. The contract will include a revolving prepayment facility of up to $25 million at an interest rate of SOFR plus 4 per cent. per annum.

The Group closed a vendor refinancing in 2024 as part of the purchase consideration of its Caterpillar mining fleet and received proceeds of $3.7 million. $2.8 million is outstanding at 31 March 2025 and the loan will be repaid in quarterly instalments with the final instalment in July 2027. The Group was in breach of the net worth and net debt to EBITDA covenants of the loan at 31 December 2024. However, subsequent to 31 December 2024, the Group was granted a waiver of the net debt to EBITDA covenant at 31 December 2024. The net worth covenant was not in force at 31 December 2024.

Directors' going concern opinion

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 on pages 7 and 8, the president and chief executive's review on pages 9 and 10 and the strategic report on pages 12 to 27. The financial position of the Group, its cash flow, liquidity position and borrowing facilities are discussed within the financial review on pages 41 to 45. In addition, note 25 to the Group financial statements includes the Group's financial management risk objectives and details of its financial instrument exposures to credit risk and liquidity risk.

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

Auditors

Each of the persons who is a director at the date of approval of this report confirms that:

1. so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
2. the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418(2) of the Companies Act 2006.

BDO LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming annual general meeting.

Corporate governance

A report on corporate governance is set out on pages 48 to 51 of this annual report.

Annual general meeting

The Company will hold its annual general meeting for 2025 on 25 June 2025. Notification of the meeting has been included on pages 115 and 116 of this annual report.

Listing

The Company's ordinary shares have been traded on London's AIM since 29 July 2005. SP Angel Corporate Finance LLP is the Company's nominated adviser and broker. The closing mid-market share price at 31 December 2024 was 104 pence (29 December 2023: 58 pence).

Relations with shareholders

Communications with shareholders are considered important by the directors. The directors regularly speak to investors and analysts during the year. Press releases have been issued throughout the year and since the balance sheet date in relation to the progress of the Group. The Company website, www.angloasianmining.com, is regularly updated and contains a wide range of information about the Group. The Company also uses social media to communicate with shareholders and has a dedicated LinkedIn account at www.linkedin.com/company/anglo-asian-mining-plc/.

Employment of disabled persons

The Group is committed to promote equal opportunities for disabled persons, throughout the recruitment and selection process and training and promotion. Conditions of service are also aligned to any disability. All job applicants and employees receive equal treatment regardless of any disabilities. However, the Group recognises that mining is an arduous industry where the physical fitness of an employee is often integral to their safe working and that of other employees. This may restrict the ability of the Group to employ or promote disabled persons.

Employee consultation and incentives

The Group places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the relevant matters affecting the performance of the Group. This is mainly achieved through informal meetings which the directors believe is the most appropriate method given the current number of Group employees.

The majority of the Group's employees are employed at its production sites which are in underdeveloped and rural locations. To incentivise these employees, a system of ad-hoc cash bonuses is employed. Cash bonuses are paid from time to time to employees for meeting various performance targets which are established according to the requirements of the business at that time. The amount of cash bonuses is also set by reference to the profitability of the business at that time. Senior managers and directors are generally not incentivised by cash, equity or other rewards. However, certain key employees of the Group receive share options.

Internal controls

The board of directors acknowledges that it is responsible for establishing and maintaining the Group's system of internal controls and for reviewing its effectiveness. The procedures which include, inter alia, financial, operational and compliance matters and risk management are reviewed on an ongoing basis. The internal control system can only provide reasonable and not absolute assurance against material misstatement or loss. The directors do not believe an internal audit function is practicable in a company of this size.

Donations

The Group made charitable donations during the year of $10,000 (2023: $5,000). Political donations of $nil (2023: $nil) were made.

Research and development

The Group incurred research and development costs in 2024 of $121,000 (2023: $271,000). The research was on improving the metal recoveries of its processing plants and adding a zinc line to its flotation plant.

Related party transactions

Related party transactions are disclosed in note 33 – 'Related party transactions' to the Group financial statements.

Streamlined Energy and Carbon Reporting ("SECR")

The Group has no operations and does not maintain any offices for staff in the United Kingdom. The Group does not therefore directly consume any electricity in the United Kingdom. No disclosure is therefore required in relation to SECR as the Company consumed less than 40,000 kWh of energy in the United Kingdom during the period in respect of which the directors' report is prepared. The Company qualifies as a low energy user and is exempt from reporting under these regulations.

The Group reports in accordance with the Task Force on Climate Related Financial Disclosures ("TCFD") in its annual report. The "Climate change and task force on climate-related financial disclosures ("TCFD") report for 2024 is set out on pages 33 to 39 of this annual report. The TCFD disclosures contain certain information regarding energy use and emissions.

Financial risk management

The main risks arising from the Group's financial instruments are liquidity risk, credit risk, foreign currency risk, market risk and interest rate risk. Further details are disclosed in note 25 – 'Financial instruments' to the Group financial statements. The Group does not enter into any derivative transactions in the ordinary course of business, except for forward sales of gold bullion. It is the Group's policy that no trading in such financial instruments shall be undertaken.

Events after 1 January 2025

Significant events after 1 January 2025 are disclosed in note 34 to the Group financial statements on page 103 of this annual report.

By order of the board of directors

W R Morgan

William Morgan

Company secretary

21 May 2025

Report on directors' remuneration

year ended 31 December 2024

Policy on the executive director's remuneration

The Company operates within a competitive environment and its performance depends on the individual contributions of the directors and employees.

The executive director's remuneration package may include:

i) basic annual salary; and

ii) payment for accommodation and other subsistence expenses.

The Group does not make any contribution to any pension plan of any of the directors.

The director's remuneration is reviewed once per year. In deciding upon appropriate levels of remuneration the remuneration committee has regard to rates of pay for similar jobs in comparable companies as well as internal factors such as performance. There were no changes to the directors' remuneration in 2024 as set out in corporate governance section 10.2 – "Report of the remuneration committee".

Directors' contracts

The executive director currently has an employment contract which may be terminated by the Company with up to 12 months' notice. No other payments are made for compensation for loss of office.

The remuneration of the non-executive directors is determined by the board of directors within the limits set out in the articles of association. Non-executive directors currently have contracts which may be terminated by the director or the Company with three months' notice. No other payments are made for compensation for loss of office.

Directors' emoluments

Amounts paid by the Group in respect of directors' services are as follows:

Year ended 31 December 2024	**Consultancy $**	**Fees $**	**Benefits $**	**Total $**
John Monhemius	**14,157**	**58,329**	**—**	**72,486**
John Sununu	**—**	**74,400**	**—**	**74,400**
Michael Sununu	**—**	**54,000**	**—**	**54,000**
Reza Vaziri	**584,981**	**54,000**	**46,238**	**685,219**
Khosrow Zamani	**—**	**123,600**	**—**	**123,600**
	599,138	**364,329**	**46,238**	**1,009,705**

Year ended 31 December 2023	Consultancy $	Fees $	Benefits $	Total $
John Monhemius	9,817	56,898	—	66,715
John Sununu	—	74,400	—	74,400
Michael Sununu	—	54,000	—	54,000
Reza Vaziri	576,096	54,000	33,106	663,202
Khosrow Zamani	—	123,600	—	123,600
	585,913	362,898	33,106	981,917

Directors' fees and consultancy fees for 2023 and 2024 were paid in cash.

Share option scheme

The Group has a share option scheme for its directors and employees. This was set up in order to reward employees for the performance of the Company on a long term basis and to enable the Company to continue to attract a high calibre of management and operational personnel. Details of share options issued under the scheme are disclosed in note 29 – 'Share-based payment' to the Group financial statements.

No director held or exercised any share options during the years ended 31 December 2023 and 31 December 2024.

The Company's share price has ranged from 58 pence at 29 December 2023 to a high of 117.5 pence and a low of 51.5 pence during the year ended 31 December 2024 with a closing mid-market price of 104 pence at 31 December 2024.

By order of the board of directors

W R Morgan

William Morgan

Company secretary

21 May 2025

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations. Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have, as required by the rules of AIM of the London Stock Exchange, elected to prepare the Group financial statements in accordance with UK adopted International Accounting Standards. The directors have also elected to prepare the financial statements of the parent company (the "Company") in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 'Reduced Disclosure Framework'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group for that period.

In preparing financial statements the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the board of directors

Khosrow Zamani
Non-executive chairman
21 May 2025

Independent auditor's report

to the members of Anglo Asian Mining PLC

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2024 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Anglo Asian Mining PLC (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2024 which comprise Group Statement of Income, Group Statement of Comprehensive Income, Group Statement of Financial Position, Group Statement of Cash Flows, Group Statement of Changes in Equity, Company Statement of Financial Position, Company Statement of Changes in Equity, and notes to the financial statements, including material accounting policy information.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Group and the Parent Company's ability to continue to adopt the going concern basis of accounting included the following:

- We obtained management's going concern analysis including the supporting cash flow forecast for the period to 30 June 2026;
- We challenged the key assumptions used in the model in respect of gold and copper prices, production forecasts, operating costs, and capital expenditure. In doing so, we compared these to historical performance as well as to available market information and ensured they were consistent with other information presented during the audit;
- We performed sensitivity analysis to determine the extent to which lower sales volumes, escalating costs and delays to commencement of production from the Gilar mine commencing full operations would materially impact the group's liquidity position;
- We inspected the group's debt agreements for financial covenants and re-calculated managements forecasts for evidence that the group would breach the forecasts. We obtained formal documentation to confirm the $5m loan due for repayment in May 2025 had the repayment terms extended, in doing so confirming the timings for the repayments of these loans are correctly recorded in the forecasts;
- We inspected the agreements entered into in respect of the Demirli mine post year end and considered whether the contractual and committed cashflows connected to these agreements had been accurately included in the forecasts;
- We checked the integrity of the mechanics of the cash flow forecast model prepared by management and approved by the Directors; and
- We also assessed the adequacy and appropriateness of the going concern disclosures in note 2 based on our audit work performed as detailed above.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and the Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Overview

Key audit matters ("KAM")

KAM	2024
1 Impairment of property plant and equipment	Yes
2 Impairment of exploration and evaluation assets	Yes

We were appointed by the Board of Directors on 6 November 2024 to audit the financial statements for the year ended 31 December 2024. This is our first auditor's report and accordingly, prior year information has not been included.

Materiality

Group financial statements as a whole
$1.47 million based on 1% of total assets.

We were appointed by the Board of Directors on 6 November 2024 to audit the financial statements for the year ended 31 December 2024. This is our first auditor's report and accordingly, prior year information has not been included.

An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, the applicable financial reporting framework and the Group's system of internal control. On the basis of this, we identified and assessed the risks of material misstatement of the Group financial statements including with respect to the consolidation process. We then applied professional judgement to focus our audit procedures on the areas that posed the greatest risks to the group financial statements. We continually assessed risks throughout our audit, revising the risks where necessary, with the aim of reducing the group risk of material misstatement to an acceptable level, in order to provide a basis for our opinion.

Components in scope

The Group's assets and operations are primarily located in Azerbaijan. We identified two reporting components, being the Parent Company which contains the head office in London where the Company is listed on the AIM market and the mining operations in Azerbaijan. In determining the components, we have considered how components are organised within the Group, and the commonality of control environments, legal and regulatory framework, and level of aggregation risk associated with individual entities. Whilst there is relative commonality of controls across the Group, differences in jurisdictional risk, and the legal and regulatory frameworks under which the entities operate, prevent the further amalgamation of components.

For components in scope, we used a combination of risk assessment procedures and further audit procedures to obtain sufficient appropriate evidence. These further audit procedures included:

- Procedures on the entire financial information of the component, including performing substantive procedures and tests of operating effectiveness of controls.

Procedures performed at the component level

We performed procedures to respond to group risks of material misstatement at the component level that included the following.

Component	Component Name	Entity	Group Audit Scope
1	Mining operations in Azerbaijan	Azerbaijan International Mining Company Limited and RV Investment Group Services, LLC	Procedures on the entire financial information of the component
2	Parent Company	Anglo Asian Mining PLC	Statutory audit and procedures on the entire financial information of the component

Procedures performed centrally

We considered there to be a high degree of centralisation of financial reporting and commonality of controls and similarity of the Group's activities and business lines in relation to consolidation, going concern and significant estimation and judgemental areas, including the Impairment of property, plant and equipment and the exploration and evaluation assets. We therefore designed and performed procedures centrally by the Group audit team in these areas. In addition, the Group audit team performed additional procedures in respect of certain significant risk areas including those which represented the Key Audit Matters in addition to procedures performed by the component auditor.

Independent auditor's report *continued*

to the members of Anglo Asian Mining PLC

An overview of the scope of our audit continued

Location

Group's operations are spread across various locations in Azerbaijan. We visited Baku, which is where the head office is based, and the Gedabek site, where the main operations take place.

Working with other auditors

As Group auditor, we determined the components at which audit work was performed, together with the resources needed to perform this work. These resources included component auditors, who formed part of the group engagement team as reported above. As Group auditor we are solely responsible for expressing an opinion on the financial statements.

In working with these component auditors, we held discussions with component audit teams on the significant areas of the group audit relevant to the components based on our assessment of the group risks of material misstatement. We attended a site visit of the Group's key mining and processing facilities in Azerbaijan, which included the senior members from the Group audit team and the Component audit teams. We issued our group audit instructions to component auditors on the nature and extent of their participation and role in the group audit, and on the group risks of material misstatement.

We directed, supervised and reviewed the component auditors' work. This included holding meetings and calls during various phases of the audit, selecting samples for the component teams to test in significant risk areas, and reviewing component auditor documentation in person and remotely evaluating the appropriateness of the audit procedures performed and the results thereof.

Climate change

Our work on the assessment of potential impacts of climate-related risks on the Group's operations and financial statements included:

- Enquiries and challenge of management and the sustainability committee to understand the actions they have taken to identify climate-related risks and their potential impacts on the financial statements and adequately disclose climate-related risks within the annual report;
- Our own qualitative risk assessment taking into consideration the sector in which the Group operates and how climate change affects this particular sector;
- Involvement of climate-related experts in evaluating managements risk assessment; and
- Review of the minutes of the Sustainability Committee, Board and Audit Committee meetings and other documentation related to climate change and performed a risk assessment as to how the impact of the Group's climate change risks and opportunities as set out on pages 35 to 37 may affect the financial statements and our audit.

We challenged the extent to which climate-related considerations, including the expected cash flows from the initiatives and commitments have been reflected, where appropriate, in management's going concern assessment and in management's judgements and estimates in relation to impairment indicator assessments over property, plant and equipment.

We also assessed the consistency of management's disclosures included in the "Sustainability and health and safety" report on pages 28 to 32 and the "Climate change and task force on climate related financial disclosures" report on pages 33 to 39 with the financial statements and with our knowledge obtained from the audit.

Based on our risk assessment procedures, we did not identify there to be any Key Audit Matters materially impacted by climate-related risks.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How the scope of our audit addressed the key audit matter
Impairment of property plant and equipment Refer to Note 4.9 and 4.11 in the Accounting policies (page 75 to 77); and Note 15 of the Consolidated Financial Statements (page 91) At 31 December 2024, the Group held Mining Properties and associated Plant and Equipment of $71.6m (2023: $64.8m) as stated in the consolidated Statements of Financial position. The Directors are required to assess whether impairment indicators exist and perform impairment testing if such indicators are identified. Management have not identified any impairment indicators at 31 December 2024. There is a risk that the Directors will not identify impairment indicators when they exist. Given the financial significance of the Property, plant and equipment, and the significant judgement involved in determining whether any indicator of impairment exist, we consider this to be a significant risk and a key audit matter.	In response to the key audit matter, we performed the following procedures: • We checked, through discussions with the Directors and review of supporting evidence, the appropriateness of the Directors' determination of one Cash Generation Unit "CGU"; • We reviewed and challenged the Directors' impairment indicator assessment by checking whether it was performed in accordance with IAS 36, and whether there were any indicators of impairment; • We considered the macro-economic factors, including commodity prices and market interest rates, to identify potential impairment indicators; • We inspected assets for evidence of physical impairment during a site visit to the Gedabek mine; • We reviewed the performance of the CGU during 2024 by comparing the actual results against the budget and evaluated the existence of any significant changes to the expected performance through reviewing the latest life of mine plans; • We evaluated the reasonableness of the life of mine plans by reconciling the production profiles against the latest reserve estimates and independent Joint Ore Reserves Committee code (JORC) reserve and resource statements; • We performed sensitivity analysis over the life of mine plans to determine the extent that changes to commodity prices, operating and capital expenditure estimates and discount rates would impact the model; and • We ensured sufficient and appropriate disclosures in the financial statements, including the appropriateness of key judgements and sensitivities regarding asset carrying values and impairment. **Key observations:** Based on our work performed, we consider the assessment for indicators of impairment of Plant, Property and Equipment to be reasonable.
Impairment of exploration and evaluation assets Refer to the Accounting policies 4.8 and 4.11 (page 75 to 77); and Note 14 of the Consolidated Financial Statements (page 90) At 31 December 2024, the Group held exploration and evaluation assets of $21.1m (2023: $23.8m) per the consolidated Statement of Financial position. The Directors are required to assess whether impairment indicators exist in accordance with IFRS 6 and perform impairment testing if such indicators are identified. At year end, the Directors assessed the exploration and evaluation assets for indicators of impairment which showed that some indicators exist for certain assets and therefore a detailed impairment assessment was performed by the Directors. There is a risk that the Directors will not identify the impairment indicators correctly when they exist. Where impairment indicators were identified we have extended our procedures to audit the impairment assessment. Given the financial significance of the exploration and evaluation of assets, and the significant judgement involved in determining whether an indicator of impairment exists, we consider this to be a significant risk and a key audit matter.	In response to the key audit matter, we performed the following procedures: • We reviewed and challenged the Directors' impairment indicator assessment by checking whether there were any indicators of impairment for exploration assets as at 31 December 2024, following the requirements of IFRS 6; • We assessed exploration assets for impairment indicators through inquiries of the Directors and obtained any relevant supporting evidence for the Directors' future plans; and • We reviewed the disclosures in the financial statements, including the appropriateness of key judgements and sensitivities regarding asset carrying values and impairment. Since indicators were identified for some of the group's exploration assets we extended our procedures to audit the Directors' calculated impairment charge as at 31 December 2024 as follows: • We obtained Directors' impairment assessment of exploration and evaluation assets and assessed this in line with the requirements of IFRS 6; • We performed inquiries of the Directors to determine the budgeted and planned exploration work for each target area with reference to the board approved budget; • We checked that assets in the development stage have been appropriately reclassified to PP&E as required by IFRS; and • We recalculated the impairment charge determined by the Directors. **Key observations:** Based on our work performed, we consider the assessment for indicators of impairment and the impairment charges recognised by the Directors to be reasonable.

Independent auditor's report *continued*

to the members of Anglo Asian Mining PLC

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

Key audit matter	Group financial statements	Parent company financial statements
	2024 $m	2024 $m
Materiality	1.47	0.13
Basis for determining materiality	Total asset	Total asset
Rationale for the benchmark applied	Total assets provides us with a reliable measure that is significant to users and is the measure which is aligned best with the expectations of the stake holders such as shareholders/ investors, management, government etc.	
Performance materiality	1.02	0.91
Basis for determining performance materiality	70% of materiality	70% of materiality
Rationale for the percentage applied for performance materiality	Considering the nature of Activities, limited reliance on sampling procedures on key areas, simplicity of operational structure, and management's attitude towards proposed adjustments.	

Component performance materiality

For the purposes of our Group audit opinion, we set performance materiality for each component of the Group, apart from the Parent Company whose materiality and performance materiality are set out above, based on 95 percent of Group performance materiality dependent on a number of factors including the size of components and our assessment of the risk of material misstatement of those components. Component performance materiality is $0.9m.

Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of $43k. We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document entitled 'annual report and accounts' other that the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

Strategic report and Directors' report	In our opinion, based on the work undertaken in the course of the audit: • the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and • the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the Group and Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Statement of Directors' responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Group and the industry in which it operates;
- Discussion with management and the Audit Committee; and
- Obtaining an understanding of the Group's policies and procedures regarding compliance with laws and regulations;

we considered the significant laws and regulations to be the applicable accounting framework, UK and Azerbaijan Corporate Tax and VAT legislation, Employment Taxes, Companies Act 2006, AIM Listing Rules, 2018 Quoted Companies Alliance Corporate Governance Code, Compliance with PSA agreement and laws and regulation relating to health and safety, employee matters, environmental and bribery and corruption practices.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be the health and safety legislation in Azerbaijan.

Our procedures in respect of the above included:

- Review of minutes of meetings of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to:
  - Detecting and responding to the risks of fraud; and
  - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meetings of those charged with governance for any known or suspected instances of fraud;

Independent auditor's report *continued*

to the members of Anglo Asian Mining PLC

Auditor's responsibilities for the audit of the financial statements continued

Fraud continued

- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- Considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these.

Based on our risk assessment, we considered the areas most susceptible to fraud to be revenue recognition and management override of controls.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- Performing a detailed review of the Group's year end adjusting entries and investigated any that appeared unusual as to nature or amount and agreed these entries to supporting documentation;
- Assessing significant estimates made by management for bias;
- We assessed the design and implementation of controls around revenue cut-off; and
- In order to address the revenue cut-off risk, we verified that sales have been appropriately recorded for the December 2024 and January 2025 shipments.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including component auditors who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit. For component auditors, we also reviewed the result of their work performed in this regard.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Parent Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

John Black (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor

London, UK

21 May 2025

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Group statement of income
year ended 31 December 2024

Continuing operations	Notes	**2024 $000**	2023 $000
Revenue	6	**39,585**	45,855
Cost of sales		**(49,652)**	(50,317)
Gross loss		**(10,067)**	(4,462)
Other operating income	7	**1,340**	407
Administrative expenses		**(6,570)**	(7,008)
Other operating expenses	7	**(1,694)**	(696)
Impairment charge of development assets	15	**(534)**	—
Impairment of geological exploration	14	**(1,314)**	(13,031)
Operating loss	8	**(18,839)**	(24,790)
Finance costs	10	**(2,973)**	(1,831)
Finance income		**289**	266
Other expense	7	**(75)**	(39)
Share of loss of an associate company	11	**(46)**	(541)
Reversal of impairment/(impairment loss) for investment in an associate company	11	**354**	(5,035)
Loss before tax		**(21,290)**	(31,970)
Income tax benefit	12	**3,788**	7,728
Loss attributable to the equity holders of the parent		**(17,502)**	(24,242)
Loss per share attributable to the equity holders of the parent			
Basic (US cents per share)	13	**(15.32)**	(21.00)
Diluted (US cents per share)	13	**(15.32)**	(21.00)

Group statement of comprehensive income
year ended 31 December 2024

	Notes	**2024 $000**	2023 $000
Loss for the year		**(17,502)**	(24,242)
Other comprehensive loss			
Other comprehensive loss that may be reclassified to profit or loss in subsequent years*:			
Share of comprehensive loss of an associate company	11	**—**	(1)
Net other comprehensive loss that may be reclassified to profit or loss in subsequent year		**—**	(1)
Total comprehensive loss for the year attributable to the equity holders of the parent*		**(17,502)**	(24,243)

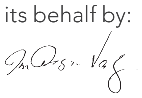
* These are gross amounts and the tax effect is $nil.

Group statement of financial position

31 December 2024

	Notes	2024 $000	2023 $000
Non-current assets			
Intangible assets	14	**23,998**	27,126
Property, plant and equipment	15	**71,606**	64,775
Right of use assets	16	**1,690**	2,053
Investment in an associate company	11	**—**	242
Financial assets	17	**475**	—
Inventory	18	**5,716**	—
Other receivables	19	**260**	975
		103,745	95,171
Current assets			
Inventory	18	**24,733**	40,342
Trade and other receivables	19	**11,262**	8,654
Restricted cash	20	**6,000**	6,000
Cash and cash equivalents	20	**886**	4,477
		42,881	59,473
Total assets		**146,626**	154,644
Current liabilities			
Trade and other payables	21	**(19,700)**	(9,200)
Interest-bearing loans and borrowings	22	**(18,546)**	(13,629)
Lease liabilities	16	**(691)**	(555)
		(38,937)	(23,384)
Net current assets		**3,944**	36,089
Non-current liabilities			
Other payables	21	**(476)**	(4,219)
Provision for rehabilitation	24	**(18,826)**	(12,948)
Interest-bearing loans and borrowings	22	**(3,083)**	(7,105)
Lease liabilities	16	**(1,456)**	(1,916)
Deferred tax liability	12	**(16,476)**	(20,264)
		(40,317)	(46,452)
Total liabilities		**(79,254)**	(69,836)
Net assets		**67,372**	84,808
Equity			
Share capital	26	**2,016**	2,016
Share premium	27	**33**	33
Treasury shares	28	**(145)**	(145)
Share-based payment reserve	29	**576**	571
Merger reserve	26	**46,206**	46,206
Foreign currency translation reserve		**(172)**	(233)
Retained earnings		**18,858**	36,360
Total equity		**67,372**	84,808

The Group financial statements were approved by the board of directors and authorised for issue on 21 May 2025. They were signed on its behalf by:



Reza Vaziri

President and chief executive

The Company number is 5227012

Group statement of cash flows

year ended 31 December 2024

	Notes	2024 $000	2023 $000
Cash flows from operating activities			
Loss before tax		**(21,290)**	(31,970)
Adjustments to reconcile loss before tax to net cash flows:			
Finance costs	10	**2,973**	1,831
Finance income		**(289)**	(266)
Unrealised loss on financial instruments	7	**75**	39
Gain on the modification of lease liabilities	7	**(8)**	(71)
Gain on reversal of previously written off receivables	7	**—**	(33)
Gain on cancellation of trade payables	7	**(1,332)**	(303)
Depreciation of owned assets	15	**10,544**	9,707
Depreciation of leased assets	16	**729**	566
Amortisation of mining rights and other intangible assets	14	**387**	593
Share-based payment expense	29	**5**	147
Share of loss of an associate company	11	**46**	541
(Reversal of impairment)/impairment loss for investment in an associate company	11	**(354)**	5,035
Impairment of development assets	15	**534**	—
Impairment of geological exploration	14	**1,314**	13,031
Foreign exchange loss		**45**	105
Operating cash outflow before movements in working capital		**(6,621)**	(1,048)
Decrease in trade and other receivables		**3,366**	4,607
Decrease/(increase) in inventories		**9,897**	(140)
Increase/(decrease) in trade and other payables		**1,936**	(2,429)
Cash from operations		**8,578**	990
Income taxes paid		**—**	(51)
Net cash flow generated from operating activities		**8,578**	939
Cash flows from investing activities			
Expenditure on property, plant and equipment and mine development		**(8,917)**	(18,032)
Investment in exploration and evaluation assets including other intangible assets		**(2,147)**	(7,240)
Increase in restricted cash	20	**—**	(6,000)
Investment in an associate company	11	**—**	(646)
Interest received		**243**	81
Net cash used in investing activities		**(10,821)**	(31,837)
Cash flows from financing activities			
Dividends paid	30	**—**	(4,603)
Proceeds from borrowings	22	**3,708**	20,650
Cash received from concentrate prepayments		**1,681**	—
Cash repaid from concentrate prepayments		**(1,681)**	—
Repayment of borrowings	22	**(2,802)**	—
Interest paid – borrowings	22	**(1,247)**	(280)
Interest paid – lease liabilities	16	**(280)**	(275)
Repayment of lease liabilities	16	**(682)**	(422)
Net cash (used in)/generated from financing activities		**(1,303)**	15,070
Net decrease in cash and cash equivalents		**(3,546)**	(15,828)
Net foreign exchange difference		**(45)**	(105)
Cash and cash equivalents at the beginning of the year	20	**4,477**	20,410
Cash and cash equivalents at the end of the year	20	**886**	4,477

Group statement of changes in equity

year ended 31 December 2024

	Notes	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
Loss for the year		—	—	—	—	—	—	(24,242)	(24,242)
Other comprehensive loss for the year		—	—	—	—	—	—	(1)	(1)
Total comprehensive loss for the year		—	—	—	—	—	—	(24,243)	(24,243)
Cash dividends paid	30	—	—	—	—	—	—	(4,603)	(4,603)
Share-based payment	29	—	—	—	147	—	—	—	147
31 December 2023		2,016	33	(145)	571	46,206	(233)	36,360	84,808
Loss for the year		—	—	—	—	—	—	(17,502)	(17,502)
Foreign currency translation reserve		—	—	—	—	—	61	—	61
Share-based payment	29	—	—	—	5	—	—	—	5
31 December 2024		**2,016**	**33**	**(145)**	**576**	**46,206**	**(172)**	**18,858**	**67,372**

Notes to the Group financial statements

year ended 31 December 2024

1 General information

Anglo Asian Mining PLC (the "Company") is a company incorporated and limited by shares in England and Wales under the Companies Act 2006. The address of its registered office is set out in Company information on page 117 of this annual report. The Company's ordinary shares are traded on the AIM exchange of the London Stock Exchange. The Company is a holding company. The principal activities and place of business of the Company and its subsidiaries (the "Group") are set out in note 31, the chairman's statement on pages 7 and 8, the president and chief executive's review on pages 9 and 10 and the strategic report on pages 12 to 27 of this annual report.

2 Basis of preparation

The Group's annual report is for the year ended 31 December 2024 and includes the consolidated financial statements of the Group prepared in accordance with UK-adopted International Accounting Standards.

The Group financial statements have been prepared using accounting policies set out in note 4 which are consistent with all applicable IFRSs and with those parts of the Companies Act 2006 applicable to companies reporting under IFRSs. For these purposes, IFRSs comprises the standards issued by the International Accounting Standards Board and interpretations issued by the International Financial Reporting Interpretations Committee that have been endorsed by the UK Endorsement Board.

The Group financial statements have been prepared under the historical cost convention except for the treatment of share-based payments, certain trade receivables at fair value, financial assets at fair value through profit and loss and gold owed to the Government of Azerbaijan. The Group financial statements are presented in United States Dollars ("$") and all values are rounded to the nearest thousand except where otherwise stated. In the Group financial statements "£" and "pence" are references to the United Kingdom pound sterling and "CAN$" and "CAN cents" are references to Canadian dollars and cents.

The functional currency of the Company and all the Group's subsidiaries is United States Dollars. The financial statements of each entity including the Company are prepared in United States Dollars (see accounting policy 4.23 – "foreign currencies").

As set out in the directors' report on pages 52 to 55, the board of directors assessed the ability of the Group to continue as a going concern and these financial statements have been prepared on a going concern basis.

Going concern

Preparation of financial statements on a going concern basis

The directors have prepared the Group financial statements on a going concern basis after reviewing the Group's forecast cash position for the period to 30 June 2026 (the "going concern review period") and satisfying themselves that the Group will have sufficient funds on hand to meet its obligations as and when they fall due over the period of their assessment. Appropriate rigour and diligence have been applied by the directors who believe the assumptions are prepared on a realistic basis using the best available information.

Main business of the Group

The Group produces primarily gold and copper at its Gedabek mining concession in northwestern 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. The Group's new Gilar underground mine will also substantially increase production in 2025 as its ore is much richer than from its current mines. The Gilar mine extracted its first ore in March 2025 and started production in May 2025 with production ramping up to 50,000 to 60,000 tonnes per month.

The Group is also expecting to start copper production from its Demirli plant in the going concern review period with first production expected in the second half of 2025.

Curtailment of agitation leaching and flotation processing and tailings dam wall raise in 2024

Agitation leaching and flotation processing was suspended throughout most of 2024 whilst permission was obtained from the Government of Azerbaijan (the "Government") to raise the wall of its tailings dam. Permission was obtained in August 2024, and the first raise of the tailings dam wall was completed in November 2024. Agitation leaching recommenced in September 2024 and flotation processing in November 2024. It is expected the second raise of the tailings dam wall will be completed in the second half of 2025. This will give the tailings dam enough capacity for production at Gedabek for the next two to three years.

Start of production from Demirli

The Group's Demirli plant is expected to start production in the second half of 2025. A $7.0 million loan is being finalised to finance the refurbishment of the plant. The plant is expected to be cash generative once in production. Any initial cash shortfalls as it commences production due to working capital or other requirements can be met from the cash generated from the Group's Gedabek operations. The Group is also finalising a contract with Trafigura Pte Ltd. ("Trafigura") for the purchase of its copper concentrate produced at Demirli. The contract will include a revolving prepayment facility of up to $25 million at an interest rate of SOFR plus 4 per cent. per annum.

Financial condition and credit facilities available to the Group

The Group had cash reserves of $12.5 million (including $6.0 million restricted cash) and debt of $21.3 million at 31 March 2025. The directors have prepared a cash flow forecast for the Gedabek site that assumes production is consistent with the business plan and a gold price of $2,600 to $2,800 for 2025 and 2026.

The Gedabek site cash flow forecast shows the Group is able to fund its working capital requirements from cash generated from its operations at Gedabek. The cash flow also shows that the Group is able to fund its capital expenditure requirements at Gedabek from its existing cash flow. The Group generated $1.0 million of overall positive cash flow in the first quarter of 2025. A cash flow forecast has also been prepared for the Group's new Demirli operation which shows that production will be cash positive from the start of production.

Notes to the Group financial statements *continued*

year ended 31 December 2024

2 Basis of preparation continued

Going concern continued

Financial condition and credit facilities available to the Group continued

The Group has in place an AZN 55 million ($32.3 million) General credit agreement with the International Bank of Azerbaijan ("IBA") with minimal conditions on drawdown. The Group has borrowed $10.0 million under this facility of which $2.2 million was repaid in 2024. The balance is repayable between May 2025 to May 2026. The Group has also borrowed $5.0 million under the facility which was originally repayable in May 2024. The repayment of the $5.0 million loan was extended by one year to May 2025, and in May 2025 was further extended by one year to May 2026. The Group is currently finalising a further $7.0 million loan under the General credit agreement. This loan will be used to fund the refurbishment of Demirli operation.

The Group also finances its operations using concentrate prepayment facilities established with Trafigura and other offtakers. A 3-month revolving, $5.0 million to $10.0 million prepayment facility has been established with Trafigura for concentrate produced at Gedabek. At 31 March 2025, $5.0 million was outstanding under this facility. The Group is also finalising a contract with Trafigura Pte Ltd. ("Trafigura") for the purchase of its copper concentrate produced at Demirli. The contract will include a revolving prepayment facility of up to $25 million at an interest rate of SOFR plus 4 per cent. per annum.

The Group closed a vendor refinancing in 2024 as part of the purchase consideration of its Caterpillar mining fleet and received proceeds of $3.7 million. $2.8 million is outstanding at 31 March 2025 and the loan will be repaid in quarterly instalments with the final instalment in July 2027. The Group was in breach of the net worth and EBITDA to net debt covenants of the loan at 31 December 2024. However, subsequent to 31 December 2024, the Group was granted a waiver of the net debt to EBITDA covenant at 31 December 2024. The net worth covenant was not in force at 31 December 2024.

Directors' going concern opinion

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 on pages 7 and 8, the president and chief executive's review on pages 9 and 10 and the strategic report on pages 12 to 27. The financial position of the Group, its cash flow, liquidity position and borrowing facilities are discussed within the financial review on pages 41 to 45. In addition, note 25 to the Group financial statements includes the Group's financial management risk objectives and details of its financial instrument exposures to credit risk and liquidity risk.

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

3 Adoption of new and revised standards

3.1 New and amended standards and interpretations

The following standards and amendments were applicable for annual financial statements beginning on or after 1 January 2024:

- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback
- Amendments to IAS 1: Classification of Liabilities as Current or Non-current
- Amendments to IAS 7 and IFRS 7 – Supplier Finance Agreements

The above standards and amendments had no impact on the consolidated financial statements of the Group.

3.2 Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Amendments to IAS 21: Lack of Exchangeability

In August 2023, the IASB issued amendments to IAS 21 – "The effects of changes in foreign exchange rates – lack of exchangeability". The amendments are effective from accounting periods beginning 1 January 2025. The Group only uses freely exchangeable currencies for which there are well-developed spot and forward markets. Accordingly, the Group believes that the amendments will have no effect on its financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

3 Adoption of new and revised standards continued

3.2 Standards issued but not yet effective continued

IFRS 18 Presentation and Disclosure in Financial Statements continued

IFRS 18, and the amendments to the other standards, is effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively. The Group is currently working to identify the impacts the amendments will have on the primary financial statements and notes to the financial statements.

IFRS 19 Subsidiaries without Public Accountability: Disclosures

In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards.

IFRS 19 will become effective for reporting periods beginning on or after 1 January 2027, with early application permitted. As the Group's shares are publicly traded, the Group believes that the new standard will have no effect on its financial statements.

4 Material accounting policies

4.1 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 December 2024. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the contractual arrangement with the other vote holders of the investee;
- rights arising from other contractual arrangements; and
- the Group's voting rights and potential voting rights.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

4.2 Revenue

The Group is principally engaged in the business of producing gold and silver bullion and copper and precious metal concentrate. Revenue from contracts with customers is recognised when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods.

The Group has concluded that it is the principal in its revenue contracts because it typically controls the goods before transferring them to the customer.

i) Contract balances

a) Contract assets

A contract asset is the right to consideration in exchange for goods transferred to the customer. If the Group performs by transferring goods to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. The Group does not have any contract assets as performance and a right to consideration occurs within a short period of time and all rights to consideration are unconditional.

b) Trade receivables

A trade receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policy 4.14 for the accounting policies for financial assets and accounting policy 4.15 for the accounting policy for trade receivables.

c) Contract liabilities

A contract liability is the obligation to transfer goods to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

Notes to the Group financial statements *continued*

year ended 31 December 2024

4 Material accounting policies continued

4.2 Revenue continued

ii) Gold and silver sales to the refiner

For gold sales, these are sold under spot sales contracts with the Company's gold refiners. The Group initially sends its unrefined doré to the refiner. The refiner is contracted by the Company to perform two separate and distinct functions, to process the doré into gold and silver bullion and to purchase gold and silver. The gold contained in the doré may be purchased at two different times at the discretion of the Company and instruction is given to the refiner as to the method of sale on a shipment-by-shipment basis:

- Upon receipt of the doré. In this circumstance, the refiner will purchase 90 per cent. of the estimated gold content of the doré. The balance of the gold will be sold to the refiner as gold bullion following refining and agreement of final gold content of the doré with the refiner.
- Following production of gold bullion by the refining process. During the refining process ownership (i.e., control of the gold) does not pass to the refiner, it is simply providing refining services to the Group.

There is no formal sales agreement for each sale of gold. Instead, there is a deal confirmation, which sets out the terms of the sale including the applicable spot price and this is considered to be the enforceable contract. The only performance obligation is the sale of gold within the doré or as bullion.

Silver is only sold to the refiner as silver bullion following the refining process. The process of sale of the silver bullion is the same as for gold bullion. Revenue is recognised at a point in time when control passes to the refiner. As the gold and silver is at this time already on the premises of the refiner, physical delivery has already taken place when the sales are made. There are no advance payments received from the refiner, therefore, no conditional rights to consideration.

A trade receivable is recognised at the date of sale and there are only several days between recognition of revenue and payment. The contract is entered into and the transaction price is determined at outturn by virtue of the deal confirmation and there are no further adjustments to this price. Also, given each spot sale represents the enforceable contract and all performance obligations are satisfied at that time, there are no remaining performance obligations (unsatisfied or partially unsatisfied) requiring disclosure. Refer to note 19 – 'Trade and other receivables' for details of payment terms.

iii) Gold and copper in concentrate (metal in concentrate) sales

For gold and copper in concentrate (metal in concentrate) sales, delivery is made under a binding contract. Under the terms of the contract, the trade receivables generated are short term in nature. The performance obligation is the delivery of the concentrate to the customer.

The Group's sales of metal in concentrate allow for price adjustments based on the market price at the end of the relevant quotational period ("QP") stipulated in the contract. These are referred to as provisional pricing arrangements and are such that the selling price for metal in concentrate is based on prevailing spot prices on a specified future date (or average of future spot prices over a defined period, usually a week) after shipment to the customer. Adjustments to the sales price occur based on movements in quoted market prices up to the end of the QP. The period between provisional invoicing and the end of the QP can be between one and four months.

Revenue is recognised when control passes to the customer, which occurs at a point in time when the metal in concentrate is physically delivered to the customer at the mine site. The revenue is measured at the amount to which the Group expects to be entitled, being the estimate of the price expected to be received at the end of the QP, i.e., the forward price, and a corresponding trade receivable is recognised.

For these provisional pricing arrangements, any future change that occur over the QP is an embedded derivative within the provisionally priced trade receivables and are, therefore, within the scope of IFRS 9 and not within the scope of IFRS 15. The Group does not separately account for the embedded derivative in each transaction as the short transaction cycle of one to four months would result in any changes to the Group's financial statements being immaterial. Any difference between the provisional and final price is adjusted through revenue from contracts with customers. Changes in fair value over, and until the end of, the QP, are estimated by reference to updated forward market prices for gold and copper as well as taking into account relevant other fair value considerations as set out in IFRS 13, including interest rate and credit risk adjustments. See accounting policy 4.12 for further discussion on fair value. Refer to note 19 – 'Trade and other receivables' for details of payments terms for trade receivables.

As noted above, as the enforceable contract for most arrangements is the purchase order, the transaction price is determined at the date of each sale (i.e., for each separate contract) and, therefore, there is no future variability within scope of IFRS 15 and no further remaining performance obligations under those contracts.

iv) Interest revenue

Interest revenue is recognised as it accrues, using the effective interest rate method.

4 Material accounting policies continued

4.3 Production sharing agreement

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 PSA was revised in 2022 and 2024.

In accordance with the PSA, the Group and the Government of the Republic of Azerbaijan (the "Government") physically share the commercial products of each mine. The Group does not have ownership of the Government's share of production and transfers gold bullion produced to the Government to settle its obligations to the Government. For silver and copper production, the Group purchases gold bullion to the value of the Government's share of the production which is then also transferred to the Government. There is no royalty payable to the Government.

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.

All of the costs of production are incurred and recorded by the Group. The Government does not bear any of the costs of production.

The PSA mandates corporation tax at a rate of 32 per cent. on the profits of the mining operations undertaken under the PSA.

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.

Accounting for the Government's share of production
As the Group does not own the Government's share of production, the revenue from its sale or otherwise disposal is not recorded in the Group's revenue. The revenue disclosed in the profit and loss account is therefore only that which arises from the sale of the Group's share of production.

Gold held due to the Government
Gold held due to the Government comprises the following at each balance sheet date:

- The Government's share of refined gold bullion which is included within the Group's gold account maintained with its gold refinery; and
- The Government's share of gold contained within physical gold doré inventory.

As the Group has a legal obligation under the PSA to transfer the gold to the Government, the gold held on behalf of the Government is included in the Group's balance sheet as an other current receivable. A corresponding equal and opposite liability for the gold is included in other current payables reflecting the liability to the Government. The gold is valued at the market price of gold at each balance sheet date. The asset and liability are derecognised when the Government either takes physical delivery of, or sells, the gold bullion.

Calculation of Corporation tax of the Azerbaijan companies
The corporation tax liabilities (and associated deferred tax assets and liabilities) are calculated at 32 per cent. and not the prevailing rate of corporation taxation in Azerbaijan. The corporation taxation rate of 32 per cent. is the rate stipulated the Group's production sharing agreement.

4.4 Leases

The Group assesses at contract inception, all arrangements to determine whether they are, or contain, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group is not a lessor in any transactions, it is only a lessee.

i) Group as a lessee
The Group applies a single recognition and measurement approach for all leases, except for short term leases. The Group recognises lease liabilities to make lease payments and right of use assets representing the right to use the underlying assets.

a) Right of use assets
The Group recognises right of use assets at the commencement date of the lease (i.e., the date when the underlying asset is available for use). Right of use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right of use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right of use assets are depreciated on a straight line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Plant and equipment – six years
- Motor vehicles – four years
- Land and buildings – eight years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right of use assets are also subject to impairment. Refer to the accounting policies in note 4.11 – "Impairment of tangible and intangible assets".

b) Lease liabilities
At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

Notes to the Group financial statements *continued*

year ended 31 December 2024

4 Material accounting policies continued

4.4 Leases continued

i) Group as a lessee continued

b) Lease liabilities continued

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is generally not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term or a change in the lease payments.

The Group's lease liabilities are separately disclosed in the Group statement of financial position.

c) Short-term leases

The Group applies the short term lease recognition exemption to its short term leases of equipment and other assets (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short term leases are recognised as an expense on a straight line basis over the lease term.

d) Lease modifications

Where the terms of a lease are varied during its term which results in a revised carrying amount of the lease, the change to the carrying amount is accounted for as "Lease Modifications".

4.5 Taxation

i) Current and deferred income taxes

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the Group financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax assets and unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised in the Group income statement is charged or credited in the Group income statement. Deferred tax relating to items recognised outside the Group income statement is recognised outside the Group income statement and items are recognised in correlation to the underlying transaction either in the Group statement of comprehensive income or directly in equity.

Deferred tax assets are not recognised in respect of temporary differences relating to tax losses where there is insufficient evidence that the asset will be recovered. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the Group income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the reporting date.

The tax expense represents the sum of the tax currently payable and deferred tax.

ii) Value-added taxes ("VAT")

The Group pays VAT on purchases made in both the Republic of Azerbaijan and the United Kingdom. Under both jurisdictions, VAT paid is refundable. Azerbaijan permits offset of an Azerbaijan VAT credit against other taxes payable to the state budget.

4.6 Transactions with related parties

For the purposes of these Group financial statements, the following parties are considered to be related:

- where one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions;
- entities under common control; and
- key management personnel.

In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

Related parties may enter into transactions which unrelated parties might not and transactions between related parties may not be effected on the same terms, conditions and amounts as transactions between unrelated parties.

It is the nature of transactions with related parties that they cannot be presumed to be carried out on an arm's length basis.

4.7 Borrowing costs

Borrowing costs directly relating to the acquisition, construction or production of a qualifying capital project under construction are capitalised and added to the project cost during construction until such time the assets are considered substantially ready for their intended use, i.e. when they are capable of commercial production. Where funds are borrowed specifically to finance a project, the amount capitalised represents the actual borrowing costs incurred. Where surplus funds are available for a short term out of money borrowed specifically to finance a project, the income generated from the temporary investment of such amounts is also capitalised and deducted from the total capitalised borrowing cost. Where the funds used to finance a project form part of general borrowings, the amount capitalised is calculated using a weighted average of rates applicable to relevant general borrowings of the Group during the period. All other borrowing costs are recognised in the Group income statement in the period in which they are incurred.

4 Material accounting policies continued

4.7 Borrowing costs continued

Even though exploration and evaluation assets can be qualifying assets, they generally do not meet the 'probable economic benefits' test. Any related borrowing costs are therefore generally recognised in the Group income statement in the period they are incurred.

4.8 Intangible assets

i) Exploration and evaluation assets

The costs of exploration properties and leases, which include the cost of acquiring prospective properties and exploration rights and costs incurred in exploration and evaluation activities, are capitalised as intangible assets as part of exploration and evaluation assets.

Exploration and evaluation assets are carried forward during the exploration and evaluation stage and are assessed for impairment in accordance with the indicators of impairment as set out in IFRS 6 – 'Exploration for and Evaluation of Mineral Resources'.

In circumstances where a property is abandoned, the cumulative capitalised costs relating to the property are written off in the period. No amortisation is charged prior to the commencement of production.

Once commercially viable reserves are established and development is sanctioned, exploration and evaluation assets are transferred to assets under construction.

Upon transfer of exploration and evaluation costs into assets under construction, all subsequent expenditure on the construction, installation or completion of infrastructure facilities is capitalised within assets under construction.

When commercial production commences, exploration, evaluation and development costs previously capitalised are amortised over the commercial measured and indicated reserves of the mining property on a units-of-production basis.

Exploration and evaluation costs incurred after commercial production start date in relation to evaluation of potential mineral reserves and resources that are expected to result in increase of reserves are capitalised as evaluation and exploration assets within intangible assets. Once there is evidence that reserves are increased, such costs are tested for impairment and transferred to producing mines.

ii) Mining rights

Mining rights are carried at cost to the Group less any provisions for impairments which result from evaluations and assessments of potential mineral recoveries and accumulated depletion. Mining rights are depleted on the units-of-production basis over the total measured and indicated reserves of the relevant area.

iii) Other intangible assets

Other intangible assets are mainly software and mining rights.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each reporting date. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Group income statement in the expense category consistent with the function of the intangible asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Group income statement when the asset is derecognised.

4.9 Property, plant and equipment and mine properties

Upon completion of mine construction, the assets initially charged to 'Assets under construction' are transferred into 'Plant and equipment and motor vehicles' or 'Producing mines'. Items of 'Plant and equipment and motor vehicles' and 'Producing mines' are stated at cost, less accumulated depreciation and accumulated impairment losses.

During the production period expenditures directly attributable to the construction of each individual asset are capitalised as 'Assets under construction' up to the period when the asset is ready to be put into operation. When an asset is put into operation it is transferred to 'Plant and equipment and motor vehicles, or 'Producing mines'. Additional capital costs incurred subsequent to the date of commencement of operation of the asset are charged directly to 'Plant and equipment and motor vehicles' or 'Producing mines', i.e. where the asset itself was transferred.

The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, the initial estimate of the rehabilitation obligation and, for qualifying assets, borrowing costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset.

When a mine construction project moves into the production stage, the capitalisation of certain mine construction costs ceases and costs are either regarded as inventory or expensed, except for costs which qualify for capitalisation relating to mining asset additions or improvements, underground mine development or mineable reserve development.

i) Depreciation and amortisation

Accumulated mine development costs within producing mines are depreciated and amortised on a units-of-production basis over the economically recoverable reserves of the mine concerned, except in the case of assets whose useful life is shorter than the life of the mine, in which case the straight line method is applied. Economically recoverable reserves include the proved and probable reserves of each mine. Economically recoverable reserves also include a proportion of measured and indicated resources which are expected to be converted to reserves in future. The unit of account for run of mine ("ROM") costs and for post-ROM costs is recoverable ounces of gold. The units-of-production rate for the depreciation and amortisation of mine development costs takes into account expenditures incurred to date plus future field development costs required to recover the commercial reserves remaining. Changes in the estimates of commercial reserves or future field development costs are dealt with prospectively.

Notes to the Group financial statements *continued*

year ended 31 December 2024

4 Material accounting policies continued

4.9 Property, plant and equipment and mine properties continued

i) Depreciation and amortisation continued

Other plant and equipment such as mobile mine equipment is generally depreciated on a straight-line basis over their estimated useful lives as follows:

- Temporary buildings – eight years (2023: eight years)
- Plant and equipment – eight years (2023: eight years)
- Motor vehicles – four years (2023: four years)
- Office equipment – four years (2023: four years)
- Leasehold improvements – the lower of eight years (2023: eight years) and the remaining term of the relevant lease

An item of property, plant and equipment, and any significant part initially recognised, is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Group income statement when the asset is derecognised.

The assets' residual values, useful lives and methods of depreciation and amortisation are reviewed at each reporting date and adjusted prospectively if appropriate.

ii) Major maintenance and repairs

Expenditure on major maintenance refits or repairs comprises the cost of replacement assets or parts of assets and overhaul costs. Where an asset or part of an asset that was separately depreciated and is now written off is replaced, and it is probable that future economic benefits associated with the item will flow to the Group through an extended life, the expenditure is capitalised.

Where part of the asset was not separately considered as a component, and therefore not depreciated separately, the replacement value is used to estimate the carrying amount of the replaced assets which is immediately written off. All other day-to-day maintenance and repair costs are expensed as incurred.

4.10 Investment in associate companies

An associate company is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The considerations made in determining significant influence are similar to those necessary to determine control over subsidiaries. The Group's investment in its associate company is accounted for using the equity method.

Under the equity method, the investment in an associate company is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate company since the acquisition date. Goodwill relating to the associate company, that existed at the initial recognition date, is included in the carrying amount of the investment and is not tested for impairment separately as subsequent goodwill is treated differently.

The statement of profit or loss reflects the Group's share of the results of operations of the associate company. Any change in other comprehensive income of those investees is presented as part of the Group's comprehensive income. In addition, when there has been a change recognised directly in the equity of the associate company, the Group recognises its share of any changes, when applicable, in the statement of changes in equity.

The aggregate of the Group's share of profit or loss of the associate company is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate company.

The financial statements of the associate company are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate company. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate company is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate company and its carrying value, and then recognises the loss in the statement of profit or loss.

Upon loss of significant influence, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate company upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

4.11 Impairment of tangible and intangible assets

The Group conducts annual internal assessments of the carrying values of tangible and intangible assets. The carrying values of capitalised exploration and evaluation expenditure, mine properties and property, plant and equipment are assessed for impairment when indicators of such impairment exist or at least annually. In such cases an estimate of the asset's recoverable amount is calculated. The recoverable amount is determined as the higher of the fair value less costs to sell for the asset and the asset's value in use. This is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, the individual assets are grouped together into cash-generating units ("CGUs") for impairment purposes. Such CGUs represent the lowest level for which there are separately identifiable cash inflows that are largely independent of the cash flows from other assets or other groups of assets. This generally results in the Group evaluating its non-financial assets on a geographical or licence basis.

If the carrying amount of the asset exceeds its recoverable amount, the asset is impaired and an impairment loss is charged to the Group income statement so as to reduce the carrying amount to its recoverable amount (i.e. the higher of fair value less cost to sell and value in use).

4 Material accounting policies continued

4.11 Impairment of tangible and intangible assets continued

Impairment losses related to continuing operations are recognised in the Group income statement in those expense categories consistent with the function of the impaired asset.

For assets excluding the intangibles referred to above, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group makes an estimate of the recoverable amount.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If this is the case, the carrying amount of the asset is increased to its recoverable amount. The increased amount cannot exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Group statement of comprehensive income. Impairment losses recognised in relation to indefinite life intangibles are not reversed for subsequent increases in its recoverable amount.

4.12 Fair value measurement

The Group measures financial instruments at fair value at each balance sheet date. Fair value disclosures for financial instruments measured at fair value, or where fair value is disclosed, are summarised in the following notes:

- Note 19 – 'Trade and other receivables';
- Note 20 – 'Restricted cash and cash equivalents';
- Note 17 – 'Financial assets';
- Note 21 – 'Trade and other payables'; and
- Note 22 – 'Interest-bearing loans and borrowings'.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal marketplace for the asset or the liability; or
- in the absence of a principal market, the most advantageous market for the asset or liability.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as set out above.

4.13 Provisions

i) General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

ii) Rehabilitation provision

The Group records the present value of estimated costs of legal and constructive obligations required to restore operating locations in the period in which the obligation is incurred. The nature of these restoration activities includes dismantling and removing structures, rehabilitating mines and tailings dams, dismantling operating facilities, closure of plant and waste sites and restoration, reclamation and revegetation of affected areas.

The obligation generally arises when the asset is installed or the ground or environment is disturbed at the production location. When the liability is initially recognised, the present value of the estimated cost is capitalised by increasing the carrying amount of the related mining assets to the extent that it was incurred prior to the production of related ore. Over time, the discounted liability is increased for the change in present value based on the discount rates that reflect current market assessments and the risks specific to the liability.

Notes to the Group financial statements *continued*
year ended 31 December 2024

4 Material accounting policies continued
4.13 Provisions continued
ii) Rehabilitation provision continued

The periodic unwinding of the discount is recognised in the Group income statement as a finance cost. Additional disturbances or changes in rehabilitation costs will be recognised as additions or charges to the corresponding assets and rehabilitation liability when they occur. Any reduction in the rehabilitation liability and therefore any deduction from the rehabilitation asset may not exceed the carrying amount of that asset. If it does, any excess over the carrying value is taken immediately to the Group income statement.

If the change in estimate results in an increase in the rehabilitation liability and therefore an addition to the carrying value of the asset, the Group is required to consider whether this is an indication of impairment of the asset as a whole and test for impairment in accordance with IAS 36. If, for mature mines, the revised mine assets net of rehabilitation provisions exceed the recoverable value, that portion of the increase is charged directly to expense.

For closed sites, changes to estimated costs are recognised immediately in the Group income statement. Rehabilitation obligations that arise as a result of the standard production activities of a mine are expensed as incurred.

4.14 Financial instruments – initial recognition and subsequent measurement
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a) Financial assets

i) Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income ("OCI"), or fair value through profit or loss.

The classification of financial assets at initial recognition that are debt instruments depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient for contracts that have a maturity of one year or less, are measured at the transaction price determined under IFRS 15. Refer to the accounting policy 4.2 – 'Revenue from contracts with customers'.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest' ("SPPI") on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

ii) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- financial assets at amortised cost (debt instruments);
- financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments);
- financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); and
- financial assets at fair value through profit or loss.

iii) Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Group. The Group measures financial assets at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Interest received is recognised as part of finance income in the statement of profit or loss and other comprehensive income. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost include trade receivables (not subject to provisional pricing) and other receivables. Refer below to 'Financial assets at fair value through profit or loss' for a discussion of trade receivables (subject to provisional pricing).

iv) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, e.g., derivative instruments, financial assets designated upon initial recognition at fair value through profit or loss, e.g., debt or equity instruments, or financial assets mandatorily required to be measured at fair value, i.e., where they fail the SPPI test. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that do not pass the SPPI test are required to be classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

4 Material accounting policies continued

4.14 Financial instruments – initial recognition and subsequent measurement continued

a) Financial assets continued

iv) Financial assets at fair value through profit or loss continued

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the profit or loss account.

A derivative embedded in a hybrid contract with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

As IFRS 9 now has the SPPI test for financial assets, the requirements relating to the separation of embedded derivatives is no longer needed for financial assets. An embedded derivative will often make a financial asset fail the SPPI test thereby requiring the instrument to be measured at fair value through profit or loss in its entirety. This is applicable to the Group's trade receivables (subject to provisional pricing). These receivables relate to sales contracts where the selling price is determined after delivery to the customer, based on the market price at the relevant QP stipulated in the contract. This exposure to the commodity price causes such trade receivables to fail the SPPI test. As a result, these receivables are measured at fair value through profit or loss from the date of recognition of the corresponding sale, with subsequent movements where material being recognised in 'fair value gains/losses on provisionally priced trade receivables' in the statement of profit or loss and other comprehensive income.

The Group does not currently account separately for embedded derivatives in its trade receivables subject to provisional pricing. The short one to four month transaction cycle would result in any change to the Group's financial statements being immaterial. Any adjustment to the trade receivable subsequent to initial recording is adjusted through revenue.

v) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

vi) Impairment of financial assets

Further disclosures relating to impairment of financial assets are also provided in the following notes:

- Significant accounting judgements: accounting policy 4.24
- Trade and other receivables: accounting policy 4.15 and note 19

The Group recognises an allowance for expected credit loss ("ECL") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation to the original Effective Interest Rate ("EIR"). The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

Notes to the Group financial statements *continued*

year ended 31 December 2024

4 Material accounting policies continued

4.14 Financial instruments – initial recognition and subsequent measurement continued

a) Financial assets continued

vi) Impairment of financial assets continued

For trade receivables (not subject to provisional pricing) and other receivables due in less than 12 months, the Group applies the simplified approach in calculating ECLs, as permitted by IFRS 9. Therefore, the Group does not track changes in credit risk, but instead, recognises a loss allowance based on the financial asset's lifetime ECL at each reporting date. For any other financial assets carried at amortised cost (which are due in more than 12 months), the ECL is based on the 12-month ECL. The 12-month ECL is the proportion of lifetime ECLs that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment including forward-looking information.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows and usually occurs when past due for more than one year and not subject to enforcement activity.

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

b) Financial liabilities

i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables and loans and borrowings including bank overdrafts and vendor financing facility.

ii) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss and other comprehensive income.

Loans and borrowings and trade and other payables

After initial recognition, interest-bearing loans and borrowings and trade and other payables are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit or loss and other comprehensive income when the liabilities are derecognised, as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss and other comprehensive income.

This category generally applies to interest-bearing loans and borrowings and trade and other payables.

iii) Derecognition of financial liabilities

A financial liability is derecognised when the associated obligation is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss and other comprehensive income.

c) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

d) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above.

Cash deposits which are pledged as security for borrowings from financial institutions such as banks, and cannot be accessed, are classified in the balance sheet as restricted cash.

4.15 Trade and other receivables

The Group presents trade and other receivables in the statement of financial position based on a current or non-current classification. A trade and other receivable is classified as current as follows:

- expected to be realised or intended to be sold or consumed in the normal operating cycle;
- held primarily for the purpose of trading; and
- expected to be realised within 12 months after the date of the statement of financial position.

4 Material accounting policies continued

4.15 Trade and other receivables continued

Gold bullion held on behalf of the Government of Azerbaijan is classified as a current asset and valued at the current market price of gold at the statement of financial position date. A current liability of equal amount representing the liability of the gold bullion to the Government of Azerbaijan is also established. Refer to accounting policy 4.3 – "Production sharing agreement".

Advances made to suppliers for fixed asset purchases are recognised as non-current prepayments until the fixed asset is delivered when they are capitalised as part of the cost of the fixed asset.

4.16 Inventories

Metal in circuit consists of in-circuit material at properties with milling or processing operations and doré awaiting refinement, all valued at the lower of cost and net realisable value. In-process inventory costs consist of direct production costs (including mining, crushing and processing and site administration costs) and allocated indirect costs (including depreciation, depletion and amortisation of producing mines and mining interests).

Ore stockpiles consist of stockpiled ore, ore on surface and crushed ore, all valued at the lower of cost and net realisable value. Ore stockpile costs consist of direct production costs (including mining, crushing and site administration costs) and allocated indirect costs (including depreciation, depletion and amortisation of producing mines and mining interests).

Metal in tailings dam consists of the gold within solution in the tailings dam. This solution is recirculated around the gold processing plant and circuits.

Inventory costs are charged to operations on the basis of ounces of gold sold. The Group regularly evaluates and refines estimates used in determining the costs charged to operations and costs absorbed into inventory carrying values based upon actual gold recoveries and operating plans.

Finished goods consist of doré bars that have been refined and assayed and are in a form that allows them to be sold on international bullion markets and metal in concentrate. Finished goods are valued at the lower of cost and net realisable value. Finished goods costs consist of direct production costs (including mining, crushing and processing; site administration costs; and allocated indirect costs, including depreciation, depletion and amortisation of producing mines and mining interests).

Spare parts and consumables consist of consumables used in operations, such as fuel, chemicals, reagents and spare parts, valued at the lower of cost and replacement cost and, where appropriate, less a provision for obsolescence.

4.17 Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs, or value of services receive net of any issue costs.

4.18 Treasury shares

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in the share premium.

4.19 Deferred stripping costs

The removal of overburden and other mine waste materials is often necessary during the initial development of a mine site, in order to access the mineral ore deposit. The directly attributable cost of this activity is capitalised in full within mining properties and leases, until the point at which the mine is considered to be capable of commercial production. This is classified as expansionary capital expenditure, within investing cash flows.

The removal of waste material after the point at which a mine is capable of commercial production is referred to as production stripping.

When the waste removal activity improves access to ore extracted in the current period, the costs of production stripping are accounted for as part of the cost of producing those inventories.

Where production stripping activity both produces inventory and improves access to ore in future periods the associated costs of waste removal are allocated between the two elements. The portion which benefits future ore extraction is capitalised as deferred stripping capital expenditure within producing mines. If the amount to be capitalised cannot be specifically identified it is determined based on the volume of waste extracted compared with expected volume for the identified component of the ore body. Components are specific volumes of a mine's ore body that are determined by reference to the life of mine plan.

In certain instances significant levels of waste removal may occur during the production phase with little or no associated production.

All amounts capitalised in respect of waste removal are depreciated using the unit-of-production method based on the ore reserves of the component of the ore body to which they relate.

The effects of changes to the life of mine plan on the expected cost of waste removal or remaining reserves for a component are accounted for prospectively as a change in estimate.

4.20 Employee leave benefits

Liabilities for wages and salaries, including non-monetary benefits and accrued but unused annual leave, are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

4.21 Retirement benefit costs

The Group does not operate a pension scheme for the benefit of its employees but instead makes contributions to their personal pension policies. The contributions due for the period are charged to the Group income statement.

4.22 Share-based payments

The Group has applied the requirements of IFRS 2 – 'Share-based Payment'. IFRS 2 has been applied to all grants of equity instruments.

The Group issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value (excluding the effect of non market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non market-based vesting conditions.

Notes to the Group financial statements *continued*

year ended 31 December 2024

4 Material accounting policies continued

4.22 Share-based payments continued

The fair value of share options is calculated using the assumption that they will only be exercised if the share price prevailing at the date of exercise is equal to, or above, the price at which the options were granted. This methodology approximates to valuing the share options using a Black-Scholes model. The expected life used in the model has been calculated using management's best estimate of the effects of non-transferability, exercise restrictions and behavioural considerations. The vesting condition assumptions are reviewed during each reporting period to ensure they reflect current expectations.

4.23 Foreign currencies

The presentation and functional currency of the Group is United States Dollars. The individual financial statements of each company in the Group are also prepared in United States Dollars. In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using exchange rates at the date of the transaction.

4.24 Significant accounting judgements

The preparation of the Group financial statements in conformity with IFRS requires management to make judgements that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the Group financial statements and reported amounts of revenues and expenses during the reporting period.

i) Exploration and evaluation expenditure (note 14)

The application of the Group's accounting policy for exploration and evaluation expenditure requires judgement. For each reporting period, the Group assesses whether there are indicators of impairment. These include whether the right to explore has expired, the results of geological exploration results and whether further exploration is planned, the likelihood that commercial exploitation will go ahead and whether it will result in recovery of the carrying value of the exploration expenditure. If information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalised is written off in the consolidated statement of profit or loss in the period when the new information becomes available.

ii) Impairment of intangible and tangible assets (notes 14, 15 and 16)

The assessment of tangible and intangible assets for any internal and external indications of impairment involves judgement. For each reporting period, the Group assesses whether there are indicators of impairment, if indicated then a formal estimate of the recoverable amount is performed and an impairment loss recognised to the extent that the carrying amount exceeds recoverable amount. Recoverable amount is determined as the value in use. Determining whether the projects are impaired requires an estimation of the recoverable value of the individual areas to which value has been ascribed. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the projects in order to calculate present value.

The Group considered whether there are any impairment indicators of its only operating cash generating unit ("CGU") which are its mines together with their associated processing facilities at Gedabek ("Mining Operations"). The significant assumptions made to perform this calculation are: production volumes, precious metal and copper prices, discount rates and operating and capital expenditure, all of which are discussed within the significant accounting estimates note 4.25. The Group has determined that there are no indicators of impairment.

iii) Production start date (note 15)

The Group assesses the stage of each mine under construction to determine when a mine moves into the production stage. The criteria used to assess the start date are determined based on the unique nature of each mine construction project, such as the complexity of a plant and its location. The Group considers various relevant criteria to assess when the mine is substantially complete, ready for its intended use and is reclassified from Assets under construction to Producing mines and Property, plant and equipment. Some of the criteria will include, but are not limited to, the following:

- the level of capital expenditure compared to the construction cost estimates;
- completion of a reasonable period of testing of the mine plant and equipment;
- ability to produce metal in saleable form (within specifications); and
- ability to sustain ongoing production of metal.

When a mine construction project moves into the production stage, the capitalisation of certain mine construction costs ceases and costs are either regarded as inventory or expensed, except for costs that qualify for capitalisation relating to mining asset additions or improvements, underground mine development or mineable reserve development. This is also the point at which the depreciation/amortisation recognition commences.

iv) Leases (note 16)

IFRS 16 requires the Group to make judgements as to whether any contract entered into by the Group contains a lease. In making this judgement, the Group looks at a number of factors including the broader economics of each contract. Once a contract has been determined to contain a lease, the Group is required to make judgements and estimates that affect the measurement of right to use assets and lease liabilities which have been considered in more detail in the significant accounting estimates disclosure below in note 4.25.

In determining the lease term, the Group considers all facts and circumstances that determine the likely total length of time the asset will be leased. Estimates are required to determine the appropriate discount rates used to measure lease liabilities.

v) Renewal of Production Sharing Agreement ("PSA") (note 32)

The Group operates its mines and processing facilities on contract areas licenced under a PSA with the Government of Azerbaijan. The majority of the Group's fixed assets, including its processing facilities and its main producing mines, are located on the Gedabek contract area which initially had a mining licence expiring in March 2022. The

4 Material accounting policies continued

4.24 Significant accounting judgements continued

v) Renewal of Production Sharing Agreement ("PSA") (note 32) continued

PSA contains an option to extend the Gedabek licence for a further ten years from March 2022, conditional upon satisfaction of certain requirements stipulated in the PSA, and the first of the two five-year extensions allowed under the PSA to March 2027 has been obtained. The directors have judged that the requirements to renew the licence for the second five-year extension from March 2027 to March 2032 will be satisfied. The Group depreciates each tangible fixed asset over its estimated useful life subject to no asset having a life extending beyond March 2032.

4.25 Significant accounting estimates

The preparation of the Group financial statements in conformity with IFRS requires management to make estimates that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the Group financial statements and reported amounts of revenues and expenses during the reporting period. Estimates are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates. In particular, information about significant areas of estimation uncertainty considered by management in preparing the Group financial statements is described below.

i) Impairment of intangible and tangible assets (notes 14, 15 and 16)

Once an intangible or tangible asset has been determined to have an indicator of impairment, an estimate is made of its recoverable amount. Recoverable amount is determined as the higher of fair value less costs to sell and value in use. Determining whether the projects are impaired requires an estimation of the recoverable value of the individual areas to which value has been ascribed. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the projects and a suitable discount rate in order to calculate present value. Assessments of the recoverable amounts of the Group's intangible assets were made for 2023 and 2024. For both years, it was determined that there were indicators of impairment. Impairment charges were made in both 2023 and 2024 as set out in note 14 – "Intangible assets".

ii) Ore reserves and resources (notes 14 and 15)

Ore reserves are estimates of the amount of ore that can be economically and legally extracted from the Group's mining properties. The Group estimates its ore reserves and mineral resources, based on information compiled by appropriately qualified persons relating to the geological data on the size, depth and shape of the ore body and requires complex geological judgements to interpret the data. The estimation of recoverable reserves is based upon factors such as estimates of foreign exchange rates, commodity prices, future capital requirements and production costs along with geological assumptions and judgements made in estimating the size and grade of the ore body. Changes in the reserve or resource estimates may impact upon the carrying value of exploration and evaluation assets, mine properties, property, plant and equipment, provision for rehabilitation and depreciation and amortisation charges.

iii) Inventory (note 18)

Net realisable value tests are performed at least annually and represent the estimated future sales price of the product based on prevailing spot metals prices at the reporting date, less estimated costs to complete production and bring the product to sale.

Stockpiles are measured by estimating the number of tonnes added and removed from the stockpile, the number of contained gold ounces based on assay data and the estimated recovery percentage based on the expected processing method. Stockpile tonnages are verified by periodic surveys. The ounces of gold sold are compared to the remaining reserves of gold for the purpose of charging inventory costs to operations.

iv) Mine rehabilitation provision (note 24)

The Group assesses its mine rehabilitation provision annually. Significant estimates and assumptions are made in determining the provision for mine rehabilitation as there are numerous factors that will affect the ultimate liability payable. These factors include estimates of the extent and costs of rehabilitation activities, technological changes, regulatory changes and changes in discount rates. Those uncertainties may result in future actual expenditure differing from the amounts currently provided. The provision at the reporting date represents management's best estimate of the present value of the future rehabilitation costs required. Changes to estimated future costs are recognised in the Group statement of financial position by either increasing or decreasing the rehabilitation liability and rehabilitation asset if the initial estimate was originally recognised as part of an asset measured in accordance with IAS 16 'Property, Plant and Equipment'. Expenditure on mine rehabilitation is expected to take place between 2028 and 2030. The Group has performed a sensitivity analysis of reasonable possible changes in the significant assumptions taking into account historical experience; however, the estimates may verify by greater amounts. The Group has performed a sensitivity analysis of reasonable possible changes in the significant assumptions taking into account historical experience; however, the estimates may verify by greater amounts. A 2 per cent. increase or decrease in the discount rate would result in a decrease of $1,696,000 and an increase of $1,906,000 respectively in the provision for the asset retirement obligation. A 2 per cent. increase or decrease in the inflation rate would result in an increase of $776,000 or a decrease of $755,000 respectively in the provision for the asset retirement obligation. A 20 per cent. increase in cost would result in an increase of $6,471,000 in the provision for the asset retirement obligation.

4.26 Other accounting estimates

i) Recovery of deferred tax assets (note 12)

Deferred tax assets, including those arising from unutilised tax losses, require management to assess the likelihood that the Group will generate taxable earnings in future periods, in order to utilise recognised deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Group to realise the net deferred tax assets recorded at the reporting date could be impacted.

ii) Leases (note 16)

The implementation of IFRS 16 requires the Group to make estimates that affect the measurement of right to use assets and lease liabilities. In determining the lease term, the Group considers all facts and circumstances that determine the likely total length of time the asset will be leased. Estimates are required to determine the appropriate discount rates used to measure lease liabilities.

Notes to the Group financial statements *continued*
year ended 31 December 2024

5 Segment information
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 statement of income and Group statement of financial position on this basis. Accordingly, the Group has only one operating segment, mining operations. The Group's mining operations mainly comprise its producing assets, the Gedabek and Gadir mines and related exploration and development at its Gedabek mining concession. The majority of the Group's revenues and its cost of sales, depreciation and amortisation are generated at Gedabek.

The majority of the Group's exploration and all of its development and production activities are carried out by its wholly-owned subsidiaries in Azerbaijan. The Group's associate company at 31 December 2023, Libero Copper & Gold Corporation ("Libero") explores for minerals in North and South America. Libero has no revenue. Libero ceased to be an associate company of the Group from 15 February 2024.

6 Revenue
The Group's revenue consists of sales to third parties of:

- gold contained within doré and gold and silver bullion to the Group's refiners; and
- gold and copper concentrate.

	2024 $000	2023 $000
Gold within doré and gold bullion	**36,784**	30,869
Silver bullion	**302**	165
Gold and copper concentrate	**2,499**	14,821
	39,585	45,855

All revenue from sales of gold within doré and gold and silver bullion and gold and copper concentrate is recognised at the time when control passes to the customer.

Sales of gold within doré and gold and silver bullion in 2024 and 2023 were made to the Group's gold refiner, MKS Finance SA, based in Switzerland. The total sales to MKS Finance SA in 2024 were $37,086,000 (2023: $31,034,000).

The gold and copper concentrate was sold in 2024 to Industrial Minerals SA and Trafigura PTE Ltd (2023: Industrial Minerals SA, Trafigura PTE Ltd and Metal-Kim Metalurji Ve Kimya Tarim Sanayi Tic Ltd Sti). The total sales to Industrial Minerals SA and Trafigura PTE Ltd in 2024 were $1,010,000 and $1,489,000 respectively (2023: $2,821,000 and $11,427,000 respectively).

7 Other operating income and expenses and other expense

	2024 $000	2023 $000
Other operating income		
Gain on the modifications of lease liabilities	**8**	71
Gain on cancellation of trade payables	**1,332**	303
Reversal of previously written off receivables	**—**	33
	1,340	407
Other operating expenses		
Transportation and refining costs	**217**	220
Foreign exchange loss	**45**	105
Staff costs	**19**	—
VAT write off	**392**	—
Impairment of recievables	**215**	—
Fee payable on cancellation of equipment purchase	**—**	100
Mine planning and resource determination	**448**	—
Research costs	**358**	271
	1,694	696
Other expense		
Fair value loss on financial assets	**75**	39

8 Operating loss

	Notes	2024 $000	2023 $000
Operating loss is stated after charging:			
Depreciation on property, plant and equipment – owned	15	**10,544**	9,707
Depreciation on property, plant and equipment – right of use assets	16	**729**	566
Amortisation of mining rights and other intangible assets	14	**387**	593
Impairment charge of development assets	15	**534**	—
Impairment of intangible assets	14	**1,314**	13,031
Employee benefits and expenses	9	**11,221**	10,806
Foreign currency exchange net loss		**45**	105
Inventory expensed during the year		**13,865**	20,166
Fees payable to the Company's auditor for:			
The audit of the Group's annual accounts		**200**	277
The audit of the Group's subsidiaries pursuant to legislation		**100**	149
Audit related assurance services – half year review		**3**	3
Total audit services		**303**	429
Amounts paid to auditor for other services:			
Tax compliance services		**—**	10
Total non-audit services		**—**	10
Total		**303**	439

The audit fees for the parent company were $120,000 (2023: $170,000).

9 Staff numbers and costs

The average number of staff employed by the Group (including directors) during the year, analysed by category, was as follows:

	2024	2023
Management and administration	**46**	43
Exploration	**44**	45
Mine operations	**849**	832
	939	920

The aggregate payroll costs of these persons were as follows:

	2024 $000	2023 $000
Wages and salaries	**10,748**	10,578
Social security costs	**2,443**	2,314
Costs capitalised as exploration	**(1,970)**	(2,086)
	11,221	10,806

The Group does not make any contributions to either individual or collective staff pension plans.

Remuneration of key management personnel

The remuneration of the key management personnel of the Group is set out below in aggregate:

	2024 $	2023 $
Share based payment	**5,450**	146,664
Short-term employee benefits	**2,172,754**	2,396,952
	2,178,204	2,543,616

The key management personnel of the Group comprise the chief executive officer, the vice president of procurement, HR and IT, the chief operating officer, the two vice presidents of Azerbaijan International Mining Company and the chief financial officer. The key management personnel receive no post-employment benefits or other long term benefits. The disclosure of the remuneration of the directors as required by the Companies Act 2006 is given in the report on directors' remuneration on page 56.

Notes to the Group financial statements *continued*

year ended 31 December 2024

10 Finance costs

	2024 $000	2023 $000
Interest charged on interest-bearing loans and borrowings	**1,323**	364
Finance charges on letters of credit	**—**	1
Interest on deposit	**270**	—
Interest expense on lease liabilities	**280**	275
Unwinding of discount on provisions	**850**	959
Interest on creditor: geological data	**250**	232
	2,973	1,831

11 Investment in an associate company

Libero Copper & Gold Corporation ("Libero") is a minerals exploration company listed on the TSX Venture Exchange (ticker: LBC) in Canada and owns the Mocoa copper property in Colombia.

From 1 January 2023 to 15 February 2024, Libero was an associate company of the Group which held an interest ranging from 18.29 per cent. at 1 January 2023 to 13.11 per cent. at 15 February 2024. A Group director was also a director of Libero and the Group's vice president, technical services was a member of the technical committee of Libero. There were no restrictions on the ability of the Group to transfer funds to Libero and for Libero to transfer funds to the Group.

On 22 January 2024, Libero announced a non-brokered private placement for aggregate gross proceeds of up to CAN $3 million. The private placement completed on 15 February 2024. The Group did not participate in the private placement and its interest in Libero reduced to approximately 5.7 per cent following completion of the private placement. Michael Sununu resigned from the board of directors of Libero on 15 February 2024 and Libero ceased to be an associate company of the Group from that date.

The loss recognised for Libero as an associate company for the year ended 31 December 2024, is the Group's share of the loss of Libero for the period 1 January 2024 to 15 February 2024. Subsequent to 15 February 2024, the Group's interest in Libero has been accounted for as a financial asset. The Group's holding in Libero from 15 February 2024 has been valued at each balance sheet date as the market value of its shares which corresponds to the fair value.

The recoverable value of Libero was estimated at 31 December 2023 at the market value of its shares of $242,000 at that date. This value at 31 December 2023 was lower than its carrying value as an associate company which was regarded as an indication of impairment. This gave rise to an impairment charge in the year ended 31 December 2023 of $5.0 million. This was the difference between its carrying value as an associate company and the market value of its shares.

On 15 February 2024 (the date Libero ceased to be an associate company), Libero's carrying value as an associate company was $196,000 and the market value of the Libero shares was $550,000. Accordingly, a release of the impairment provision was made of $354,000 being the difference between the market of Libero's shares and its carrying value as an associate company on 15 February 2024. Libero was reclassified as a financial asset at fair value through profit and loss at a value of $550,000. Accordingly, no profit or loss was therefore recognised when Libero was reclassified. At 31 December 2024 Libero was classified in the Group's balance sheet as a financial asset (note 17 – "Financial assets").

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 2023 dated 25 April 2024 and their unaudited financial statements for the three months ended 31 March 2024 dated 28 May 2024.

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

Balance sheet of Libero at 31 December 2023

	2023 $000
Current assets	696
Non-current assets	1,323
Current liabilities	(1,486)
Non-current liabilities	(142)
Equity	391

11 Investment in an associate company continued

Reconciliation to carrying value in the Group balance sheet at 31 December 2023

	2023 $000
Equity of Libero	391
Share based payment expense	(977)
Exploration expense	9,052
Equity recognised by the Group	8,466
Group's share in equity – 13.11 per cent.	1,110
Goodwill	4,167
Impairment charge	(5,035)
Group carrying value of associate company	242

Profit and loss account of Libero for the year ended 31 December 2023 and from 1 January to 15 February 2024

	1 January to 15 February 2024 $000	2023 $000
Expenses	**513**	3,934
Other expenses	**63**	1,582
Loss before taxation	**576**	5,516
Taxation	**—**	(94)
Loss for the year	**576**	5,422
Other comprehensive loss	**—**	(7)
Total comprehensive loss for the year	**576**	5,415

Libero has no revenue and all losses are from continuing operations.

Reconciliation to loss of associate in the Group profit and loss account for the year ended 31 December 2023 and from 1 January to 15 February 2024

	1 January to 15 February 2024 $000	2023 $000
Loss for the year	**576**	5,422
Exploration expense	**(236)**	(2,333)
Loss for the year as an associate company	**340**	3,089
Group's share of the loss at 13.11 per cent. (2023: 19.8 and 15.2 per cent.)	**46**	551
Profit on deemed disposal	**—**	(10)
Loss recognised as an associate company	**46**	541

Notes to the Group financial statements *continued*

year ended 31 December 2024

11 Investment in an associate company continued

Reconciliation of the movement in associate company in the years ended 31 December

	2024 $000	2023 $000
1 January	**242**	5,172
Additions	**—**	646
Share of loss of the associate	**(46)**	(541)
Impairment benefit/(charge)	**354**	(5,035)
Transfer to non-current financial assets	**(550)**	—
31 December	**—**	242

Libero had no contingent liabilities or capital commitments on 31 December 2023. The Group had no contingent liabilities relating to Libero.

12 Taxation

Corporation tax is calculated at 32 per cent. (as stipulated in the production sharing agreement for R.V. Investment Group Services LLC ("RVIG")) in the Republic of Azerbaijan, the entity that contributes the most significant portion of loss before tax in the Group financial statements of the estimated assessable loss for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions. Deferred income taxes arising in RVIG are recognised and fully disclosed in these Group financial statements. RVIG's unutilised tax losses at 31 December 2024 were $22,384,000 (2023: $17,334,000).

The major component of the income tax benefit for the year ended 31 December are:

	2024 $000	2023 $000
Deferred tax		
Benefit relating to origination and reversal of temporary differences	**(3,788)**	(7,728)
Income tax benefit for the year	**(3,788)**	(7,728)

Deferred income tax at 31 December relates to the following:

	Statement of financial position		Income statement	
	2024 $000	2023 $000	2024 $000	2023 $000
Deferred income tax liability				
Property, plant and equipment and intangible assets – accelerated depreciation	**(23,329)**	(20,205)	**(3,124)**	2,172
Right of use assets – accelerated depreciation	**(541)**	(657)	**116**	99
Non-current other receivables	**(83)**	(312)	**229**	(312)
Trade and other receivables	**(144)**	(954)	**810**	1,553
Inventories	**(9,744)**	(11,471)	**1,727**	(45)
Deferred income tax liability	**(33,841)**	(33,599)		
Deferred income tax asset				
Tax losses brought forward	**7,163**	5,548	**1,615**	5,548
Trade and other payables and provisions*	**3,491**	2,854	**637**	(231)
Lease liabilities*	**687**	791	**(104)**	(76)
Asset retirement obligation*	**6,024**	4,142	**1,882**	(980)
Deferred income tax asset	**17,365**	13,335		
Deferred income tax benefit			**3,788**	7,728
Net deferred income tax liability	**(16,476)**	(20,264)		

* Deferred income tax assets have been recognised for the trade and other payables and provisions, asset retirement obligation and lease liabilities based on local tax basis differences expected to be utilised against future taxable profits.

12 Taxation continued

A reconciliation between the accounting loss and the total taxation benefit for the years ended 31 December is as follows:

	2024 $000	2023 $000
Loss before tax	**(21,290)**	(31,970)
Tax charge at statutory rate of 32 per cent. for RVIG*	**(6,813)**	(10,230)
Effects of different tax rates for certain Group entities	**340**	338
Tax effect of items which are not deductible or assessable for taxation purposes:		
– Items not deductible or assessable	**2,685**	2,164
Income tax benefit for the year	**(3,788)**	(7,728)

* This is the tax rate stipulated in RVIG's production sharing agreement.

The Group has a consolidated turnover below Euro 750 million. Therefore, the OECD Pillar Two model rules do not apply to the Group.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised.

Deferred tax assets and liabilities have been offset for deferred taxes recognised for RVIG since there is a legally enforceable right to set off current tax assets against current tax liabilities and they relate to income taxes levied by the same taxation authority. The Group intends to settle its current tax assets and liabilities on a net basis in the Republic of Azerbaijan.

At 31 December 2024, the Group had total unused tax losses available for offset against future profits of $57,409,000 (2023: $50,139,000). Unused tax losses in the Republic of Azerbaijan at 31 December 2024 were $22,384,000 (2023: $17,334,000) and unused tax losses in the United Kingdom were $35,025,000 (2023: $32,805,000). The tax losses in the Republic of Azerbaijan and the United Kingdom can be carried forward indefinitely. No deferred tax assets have been recognised in respect of jurisdictions other than the Republic of Azerbaijan due to the uncertainty of future profit streams.

13 Loss per share

The calculation of basic and diluted loss per share is based upon the retained loss for the financial year of $17,502,000 (2023: $24,242,000).

The weighted average number of ordinary shares for calculating the basic loss and diluted loss per share after adjusting for the effects of all dilutive ordinary shares relating to share options and treasury shares are as follows:

	2024	2023
Basic	**114,242,024**	114,335,175
Diluted	**114,242,024**	114,335,175

At 31 December 2024 there were no unexercised share options that could potentially dilute basic earnings per share (2023: nil).

Notes to the Group financial statements *continued*

year ended 31 December 2024

14 Intangible assets

	Exploration and evaluation									
	Gedabek $000	Gosha $000	Ordubad $000	Vejnaly $000	Xarxar $000	Garadag $000	Demirli $000	Mining rights $000	Other intangible assets $000	Total $000
Cost										
1 January 2023	21,010	2,713	6,106	517	1,613	2,772	—	41,925	726	77,382
Additions	2,131	254	627	961	1,901	62	—	—	—	5,936
Transfer to assets under construction	(3,802)	—	—	—	—	—	—	—	—	(3,802)
31 December 2023	19,339	2,967	6,733	1,478	3,514	2,834	—	41,925	726	79,516
Additions	764	—	524	259	201	361	59	—	—	2,168
Transfer to assets under construction	(3,574)	—	—	—	—	—	—	—	—	(3,574)
31 December 2024	**16,529**	**2,967**	**7,257**	**1,737**	**3,715**	**3,195**	**59**	**41,925**	**726**	**78,110**
Amortisation and impairment*										
1 January 2023	—	—	—	—	—	—	—	38,249	517	38,766
Charge for the year	—	—	—	—	—	—	—	566	27	593
Impairment	5,086	2,967	4,978	—	—	—	—	—	—	13,031
31 December 2023	5,086	2,967	4,978	—	—	—	—	38,815	544	52,390
Charge for the year	—	—	—	—	—	—	—	387	21	408
Impairment	1,314	—	—	—	—	—	—	—	—	1,314
31 December 2024	**6,400**	**2,967**	**4,978**	**—**	**—**	**—**	**—**	**39,202**	**565**	**54,112**
Net book value										
31 December 2023	14,253	—	1,755	1,478	3,514	2,834	—	3,110	182	27,126
31 December 2024	**10,129**	**—**	**2,279**	**1,737**	**3,715**	**3,195**	**59**	**2,723**	**161**	**23,998**

* 121,000 ounces of gold at 1 January 2024 were used to determine amortisation of mining rights and other intangible assets (2023: 143,000 ounces). A 5 per cent. increase or decrease in the ounces of gold used to compute the amortisation of intangible assets would result in a decrease in amortisation of $18,000 (2023: $27,000) and an increase in amortisation of $20,000 (2023: $30,000) respectively.

The Group's strategy is to focus on growing its production in the next five years by exploiting the deposits of Gilar, Zafer, Xarxar and Garadag. Accordingly, the Group's focus has shifted away from its other exploration areas. It is unlikely that the Group will expend significant resources in developing these other exploration areas in the next five years. However, the Group is still conducting exploration around its existing open pit to further extend its resource. It is also exploring at its Ordubad and Vejnaly contract areas.

The Group's accounting policy requires judgement to determine whether future economic benefits are likely to be derived from exploration areas through either future exploitation or sale of properties or whether activities have reached a stage that permits a reasonable assessment of the existence of reserves.

Given its poor mineral resources, it is considered exploitation of the Avshancli deposit is unlikely in the next five years. This is regarded as an indicator of impairment.

Given the above, the directors have concluded that historical expenditure on exploration and evaluation for its Avshancli deposit in its Gedabek contract area is above the amount that is likely to be realised in the foreseeable future. Accordingly, an impairment of $1.3 million (2023: $13.0 million) was made related to the write-off of costs associated with exploration licenses where future exploration is neither budgeted or planned, or future resources are deemed uncommercial or not viable. In making this assessment, the directors have made certain assumptions about future events and circumstances, particularly, whether an economically viable extraction operation can be achieved. Any such estimates and assumptions may change as new information becomes available.

15 Property, plant and equipment

	Plant and equipment and motor vehicles $000	Producing mines $000	Assets under construction $000	Total $000
Cost				
1 January 2023	28,590	236,330	2,181	267,101
Additions	7,700	4,637	10,117	22,454
Decrease in provision for rehabilitation	—	(4,017)	—	(4,017)
31 December 2023	36,290	236,950	12,298	285,538
Additions	1,399	1,167	6,741	9,307
Transfer to producing mines	—	1,044	(1,044)	—
Transfer from intangibles	—	—	3,574	3,574
Increase in provision for rehabilitation	—	5,028	—	5,028
31 December 2024	**37,689**	**244,189**	**21,569**	**303,447**
Depreciation and impairment*				
1 January 2023	24,195	186,861	—	211,056
Charge for the year	1,142	8,565	—	9,707
31 December 2023	25,337	195,426	—	220,763
Charge for the year	2,011	8,533	—	10,544
Impairment of development assets	—	534	—	534
31 December 2024	**27,348**	**204,493**	**—**	**231,841**
Net book value				
31 December 2023	10,953	41,524	12,298	64,775
31 December 2024	**10,341**	**39,696**	**21,569**	**71,606**

* 121,000 ounces of gold at 1 January 2024 were used to determine depreciation of producing mines (2023: 143,000 ounces). A 5 per cent. increase or decrease in the ounces of gold used to compute the depreciation of property plant and equipment would result in a decrease in depreciation of $281,000 (2023: $505,000) and an increase in depreciation of $311,000 (2023: $589,000) respectively.

Impairment assessment of the Group's fixed assets

The Group assesses at each balance sheet date whether any indicators of impairment exist for each asset or cash generating unit ("CGU"). The Group has only one operating CGU. This is the Group's mines together with their associated processing facilities at Gedabek ("Mining Operations"). If any such indications of impairment exist, a formal estimate of the recoverable amount is performed.

In assessing whether an impairment is required, the carrying value of Mining Operations is compared with its recoverable amount. The recoverable amount is the higher of the fair value less costs of disposal ("FVLCD") and value in use ("VIU"). Given the nature of the Group's activities, information on the fair value less costs to disposal of Mining Operations is difficult to obtain unless negotiations with potential purchasers or similar transactions are taking place. Consequently, the VIU recoverable amount for Mining Operations is estimated based on the discounted future estimated cash flows (expressed in nominal terms) expected to be generated from its continued use using market-based commodity price assumptions, estimated quantities of recoverable minerals, production levels, operating costs and capital requirements based on the Group's strategic growth plan and life of mine plan. The cash flows are discounted using a nominal discount rate before taxation that reflects current market assessments of the time value of money and the risks specific to Mining Operations.

Indication of impairment during the year ended 31 December 2024

The determination of the recoverable amount of Mining Operations is most sensitive to the following key assumptions:

- production volumes;
- commodity prices;
- discount rates;
- foreign exchange rates; and
- capital and operating costs.

Notes to the Group financial statements *continued*
year ended 31 December 2024

15 Property, plant and equipment continued
Indication of impairment during the year ended 31 December 2024 continued
The Group is planning to increase the production from its agitation leaching and flotation plants in 2025 with the opening of the Gilar mine. The gold price has increased significantly in 2024 and is at, or around, record highs. At around $10,000 per tonne, copper prices, although more volatile in 2024, are still reasonably high considering their history over the last 5 years. Interest rates have also remained stable. The Group's plants are mature which only require minimal sustaining capital expenditure and operating costs have remained stable. The management have therefore assessed that there were no indicators of impairment at 31 December 2024. Accordingly, no impairment analysis was performed for property, plant and equipment in the Group's balance sheet at 31 December 2024.

Capital commitments
The capital commitments by the Group have been disclosed in note 32.

16 Leases
Right of use assets

	Plant and equipment and motor vehicles $000	Land and building $000	Total $000
Cost			
1 January 2023	3,074	1,153	4,227
Additions	682	—	682
Lease modifications	(593)	—	(593)
31 December 2023	3,163	1,153	4,316
Additions	443	—	443
Lease modifications	(37)	(48)	(85)
31 December 2024	**3,569**	**1,105**	**4,674**
Depreciation			
1 January 2023	1,345	519	1,864
Charge for the year	401	165	566
Lease modifications	(167)	—	(167)
31 December 2023	1,579	684	2,263
Charge for the year	572	157	729
Lease modifications	(8)	—	(8)
31 December 2024	**2,143**	**841**	**2,984**
Net book value			
31 December 2023	1,584	469	2,053
31 December 2024	**1,426**	**264**	**1,690**

Lease liabilities

	2024 $000	2023 $000
1 January	**2,471**	2,708
Additions	**443**	682
Lease modifications	**(85)**	(497)
Interest expense	**280**	275
Repayment	**(962)**	(697)
31 December	**2,147**	2,471
Current liabilities	**691**	555
Non-current liabilities	**1,456**	1,916
	2,147	2,471

16 Leases continued

Amount recognised in the profit and loss account

	2024 $000	2023 $000
Depreciation expense of right of use assets	**729**	566
Gain on lease modifications	**(8)**	(71)
Interest expense	**280**	275
Expenses relating to short term leases	**132**	280
	1,133	1,050

The amount of future lease commitments for short-term leases at 31 December 2023 and 2024 are similar to the amounts expensed in 2023 and 2024 respectively as the level of leasing activity has not changed. As these amounts are not dissimilar to the expense for the respective years, the amount of the lease commitments have not been disclosed.

The total cash outflow related to leases in the year ended 31 December 2024 was $1,139,000 (2023: $1,023,000).

17 Financial assets

Non-current	2024 $000	2023 $000
Financial assets at fair value through profit or loss		
Listed equity investments	**475**	—

At 31 December 2024, the Company held 2,130,000 shares in Libero, a company which is listed on the Toronto Ventures Stock Exchange in Canada. Libero was an associate company of the Group at 31 December 2023 and ceased to be an associate from 15 February 2024 (note 11 – 'Investment in an associate company'). Therefore, the Group's interest was diluted and Libero was reclassified as a financial asset at fair value through profit and loss. Libero was transferred at a value of $550,000, the market value of the shares on the day of transfer. The value of the shares at 31 December 2024 was $475,000 and the unrealised loss of $75,000 was debited to profit and loss account as other expense (note 7 – 'Other operating income and expenses and other expense').

18 Inventory

Cost

Non-current assets	2024 $000	2023 $000
Ore stockpiles	**5,716**	—

Current assets	2024 $000	2023 $000
Finished goods – bullion	**2,295**	5,922
Finished goods – metal in concentrate	**411**	53
Metal in circuit	**3,162**	5,480
Metal in tailings dam	**455**	4,870
Ore stockpiles	**953**	5,745
Spare parts and consumables	**17,457**	18,272
Total current inventories	**24,733**	40,342
Total inventories at the lower of cost and net realisable value	**30,449**	40,342

The Group has capitalised mining costs related to high grade sulphide ore stockpiled during the year. Such stockpiles are expected to be utilised as part of flotation processing. Inventory is recognised at the lower of cost or net realisable value.

Notes to the Group financial statements *continued*

year ended 31 December 2024

19 Trade and other receivables

Non-current	2024 $000	2023 $000
Other receivables		
Advances for purchases	—	195
Loans to employees*	**260**	780
	260	975
Current		
Trade and other receivables		
Gold held due to the Government of Azerbaijan	**7,471**	1,988
VAT refund due	**808**	1,609
Loan to employee*	**527**	—
Other tax receivable	**1,247**	734
Trade receivables – fair value**	**44**	637
Prepayments and advances	**1,165**	3,686
	11,262	8,654

* See note 33 – "Related party transactions".

** Trade receivables subject to provisional pricing.

Trade receivables (not subject to provisional pricing) are for sales of gold and silver to the refiner and are non interest-bearing and payment is usually received one to two days after the date of sale.

Trade receivables (subject to provisional pricing) are for sales of gold and copper concentrate and are non-interest bearing, but as discussed in accounting policy 4.2, 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. Refer to accounting policy 4.12 for details of fair value measurement.

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 in 2023 or 2024.

The VAT refund due at 31 December 2024 and 2023 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 as disclosed in note 21 – 'Trade and other payables'.

20 Restricted cash, cash and cash equivalents

Restricted cash comprises of a bank deposit in Azerbaijan which has been pledged as security for a $5,650,000 loan from the bank. Details of the loan are set out in note 22 – "Interest-bearing loans and borrowings".

Cash and cash equivalents consist of cash on hand and held by the Group within financial institutions that are available immediately. The carrying amount of these assets approximates their fair value.

The Group's cash on hand and cash held within financial institutions at 31 December 2024 (including short-term cash deposits) comprised $15,000 and $871,000 respectively (2023: $9,000 and $4,468,000).

The Group's cash and cash equivalents are mostly held in United States Dollars.

21 Trade and other payables

Current	2024 $000	2023 $000
Trade and other payables		
Accruals and other payables	**2,330**	3,610
Trade creditors	**5,503**	2,721
Gold held due to the Government of Azerbaijan	**7,471**	1,988
Geological data	**3,379**	—
Payable to the Government of Azerbaijan from copper concentrate joint sale	**1,017**	881
	19,700	9,200

Non-current	2024 $000	2023 $000
Other payables		
Geological data	**—**	3,129
Other payables	**476**	1,090
	476	4,219

Trade creditors primarily comprise amounts outstanding for trade purchases and ongoing costs. Trade creditors are non-interest bearing and the creditor days were 65 (2023: 20). Accruals and other payables mainly consist of accruals for salaries, bonuses, related payroll taxes and social contributions, 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 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 31 December 2024 is $3.0 million (2023: $3.0 million). The discounted amounts outstanding at each balance sheet date have been grossed up by the VAT liability at a rate of 18 per cent. The amount outstanding under the contract at 31 December 2024 has been classified as a current liability (2023: non-current liability).

22 Interest-bearing loans and borrowings

	Interest rate (per cent.)	Final maturity date	2024 $000	2023 $000
$1,000,000 bank loan	5.5 per annum	May 2024	**—**	1,002
$2,500,000 bank loan	5.5 per annum	May 2024	**—**	2,505
$1,500,000 bank loan	5.5 per annum	May 2024	**—**	1,504
$5,000,000 bank loan	6.0 per annum	May 2025	**5,002**	—
$5,650,000 bank loan	0.5 per month	November 2025	**5,684**	5,678
$3,708,000 vendor financing	SOFR + 2.0 per annum	July 2027	**3,093**	—
$10,000,000 bank loan	6.5 per annum	May 2026	**7,850**	10,045
			21,629	20,734

	2024 $000	2023 $000
Loans repayable in less than one year	**18,546**	13,629
Loans repayable in more than one year	**3,083**	7,105
	21,629	20,734

The directors consider that the carrying amount of the interest-bearing loans and borrowings approximates to their fair value.

Notes to the Group financial statements *continued*

year ended 31 December 2024

22 Interest-bearing loans and borrowings continued

$1,000,000 bank loan

The loan is unsecured and was repayable in full on 11 May 2024. On 19 April 2024, it was renewed for a period to 11 May 2025 at an interest rate of 6.0 per cent. per annum.

$2,500,000 bank loan

The loan is unsecured and was repayable in full on 11 May 2024. On 19 April 2024, it was renewed for a period to 11 May 2025 at an interest rate of 6.0 per cent. per annum.

$1,500,000 bank loan

The loan is unsecured and was repayable in full on 11 May 2024. On 19 April 2024, it was renewed for a period to 11 May 2025 at an interest rate of 6.0 per cent. per annum.

$5,000,000 bank loan

This loan is the consolidated bank loan of the $1 million, $2.5 million and $1.5 million bank loans above. It is unsecured and is repayable in full on 11 May 2025. It carries an interest rate of 6 per cent. per annum and interest is payable monthly. The loan was renewed for a further term of one year till 11 May 2026 at an interest rate of 8.5 per cent. per annum.

$5,650,000 bank loan

The loan is secured against a $6 million deposit maintained with the lender. The principal was repayable in 2 instalments of $2,818,659 and $2,831,341 in March 2024 and April 2024 respectively. On 1 March 2024, the term of the loan was extended for one year, with five installments until 3 March 2025. The loan was further extended on 31 October 2024 on the same terms, with a new maturity date of 3 November 2025. The $6 million deposit has been disclosed as restricted cash in the Group balance sheet at 31 December 2024 and 31 December 2023.

$3,708,000 vendor financing

On 2 May 2024, Azerbaijan International Mining Company (a wholly owned subsidiary of the Group) agreed and signed a vendor financing facility (the "Facility") with Caterpillar Financial Services Corporation ("Cat Financial"). On 26 August 2024 the Group received the full proceeds of $3,708,000 from its vendor financing loan with Cat Financial. The loan is secured against the underground mining equipment purchased under the agreement for the Group's Gilar mine. The underground fleet cost $4.6 million which had already been paid by the Group at 31 December 2023. $3,708,000 of the purchase price was refinanced through the Facility. Other principal terms of the facility were as follows:

- Guarantor: Anglo Asian Mining PLC
- Interest rate: CME Term SOFR rate plus a margin of 2 per cent.
- Repayment of interest: quarterly
- Repayment of capital: 12 equal quarterly installments
- Net debt to EBITDA and net worth covenants
- Prepayment: allowed subject to a fee

The Group was in breach of its covenants on the Facility at 31 December 2024. Accordingly, the entire loan has been classified as a current liability in the 2024 balance sheet. The Group subsequently obtained a waiver for the breach of the covenant (see note 34 – "Subsequent events").

$10,000,000 bank loan

The loan is unsecured. The borrowing commenced on 6 November 2023. The loan had a 6 month capital repayment grace period during which only interest of $54,167 per month was payable. From May 2024 to November 2024, 6 equal monthly repayments of principal and interest totalling $413,306 were made by the Group. On 14 October 2024, a new capital repayment grace period was determined from November 2024 to May 2025, 13 equal monthly repayments of principal and interest totalling $624,297 will be made to repay the principal on a monthly reducing balance basis. A final repayment of principal and interest of $624,297 will also be made in May 2026.

23 Changes in liabilities arising from financing activities

	2024			
	1 January $000	Cash flows $000	Other $000	31 December $000
Interest-bearing loans and borrowings	**20,734**	**(342)**	**1,237**	**21,629**
Lease liabilities	**2,471**	**(962)**	**638**	**2,147**
Total liabilities from financing activities	**23,205**	**(1,304)**	**1,875**	**23,776**

	2023			
	1 January $000	Cash flows $000	Other $000	31 December $000
Interest-bearing loans and borrowings	—	20,370	364	20,734
Lease liabilities	2,708	(697)	460	2,471
Total liabilities from financing activities	2,708	19,763	824	23,205

24 Provision for rehabilitation

	2024 $000	2023 $000
1 January	**12,948**	16,006
Increase/(decrease)	**5,028**	(2,866)
Accretion expense	**850**	959
Effects of passage of time and changes in discount rate	**—**	(1,151)
31 December	**18,826**	12,948

The Group has a liability for restoration, rehabilitation and environmental costs arising from its mining operations. Estimates of the cost of this work including reclamation costs, close down and pollution control are made on an ongoing basis, based on the estimated life of the mine. The provision represents the net present value of the best estimate of the expenditure required to settle the obligation to rehabilitate any environmental disturbances caused by mining operations. The undiscounted liability for rehabilitation at 31 December 2024 was $22,365,000 (2023: $19,115,000). The undiscounted liability was discounted using a risk-free rate of 6.57 per cent. (2023: 6.57 per cent.). Expenditures on restoration and rehabilitation works are expected between 2028 and 2030 (2023: between 2028 and 2030).

25 Financial instruments

Financial risk management objectives and policies

The Group's principal financial instruments at 31 December 2024 comprised cash and cash equivalents and borrowings. The main purpose of these financial instruments is to finance the Group operations. The Group has other financial instruments, such as certain of its trade and other receivables and trade and other payables, which arise directly from its operations. Surplus cash within the Group is put on deposit, the objective being to maximise returns on such funds whilst ensuring that the short-term cash flow requirements of the Group are met.

The Group's only financial instrument which is valued at fair value through profit and loss is its investment in Libero Copper & Gold Corporation at 31 December 2024. It is valued using level 1 inputs. The investment is valued at its market price in an active market without adjustment.

The main risks that could adversely affect the Group's financial assets, liabilities or future cash flows are capital risk, market risk, interest rate risk, foreign currency risk, liquidity risk and credit risk. Management reviews and agrees policies for managing each of these risks which are summarised below.

The following discussion also includes a sensitivity analysis that is intended to illustrate the sensitivity to changes in market variables on the Group's financial instruments and show the impact on profit or loss and shareholders' equity, where applicable. Financial instruments affected by market risk include bank loans and overdrafts, accounts receivable, accounts payable and accrued liabilities.

The sensitivity has been prepared for the years ended 31 December 2024 and 2023 using the amounts of debt and other financial assets and liabilities held as at those reporting dates.

Notes to the Group financial statements *continued*

year ended 31 December 2024

25 Financial instruments continued

Capital risk management

The capital structure of the Group at 31 December 2024 consists of cash and cash equivalents, bank borrowings and supplier financing, lease liabilities and equity attributable to equity holders of the parent, comprising issued share capital, reserves and retained earnings as disclosed in the consolidated statement of changes in equity. The Group may enter into additional bank and other loans and letters of credit in the future. The Group has sufficient capital to fund ongoing production and exploration activities, with capital requirements reviewed by the board on a regular basis. Capital has been sourced through share issues on AIM, part of the London Stock Exchange, and loans from banks in Azerbaijan and elsewhere. In managing its capital, the Group's primary objective is to ensure its continued ability to provide a consistent return for its equity shareholders through capital growth. In order to achieve this objective, the Group seeks to maintain a gearing ratio that balances risk and returns at an acceptable level and also to maintain a sufficient funding base to enable the Group to meet its working capital and strategic investment needs. In 2024, the Group entered into a vendor financing facility with Caterpillar Financial Services Corporation in 2024 of $3.7 million. The loan is subject to a net debt to EBITDA and a net worth covenant.

The Group is not subject to externally imposed capital requirements and monitors capital using a gearing ratio. The Group's policy is to keep the gearing ratio below 70 per cent. The Group calculates its gearing ratio as total debt divided by total equity and multiplying the result by 100 to express the gearing ratio as a percentage. At 31 December 2024, the Group's gearing ratio was 35.3 per cent. (2023: 27.4 per cent.) as follows:

	2024 $000	2023 $000
Current liabilities		
Interest-bearing loans and other borrowings	**18,546**	13,629
Lease liabilities	**691**	555
Non-current liabilities		
Interest-bearing loans and other borrowings	**3,083**	7,105
Lease liabilities	**1,456**	1,916
Total debt	**23,776**	23,205
Total equity	**67,372**	84,808
Total debt / total equity X 100 (per cent.)	**35.3**	27.4

Interest rate risk

The Group's cash deposits are at a fixed rate of interest. The Group's bank borrowings and letters of credit outstanding during the year ended 31 December 2024 were also at a fixed rate of interest. The Group would expect any future bank borrowings and letters of credit to be at a fixed rate of interest. The Group also utilised supplier financing at a variable rate of interest during the year ended 31 December 2024. The variable rate applicable to the Group's interest-bearing supplier financing exposes the Group to fluctuations in interest payments due to changes in the SOFR.

The Group manages the risk by mostly utilising fixed rate instruments, with approval from the directors required for all new borrowing facilities.

The Group has not used any interest rate swaps or other instruments to manage its interest rate profile during 2024 and 2023.

25 Financial instruments continued

Liquidity risk

Ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial liabilities. The Group has access to local sources of both short and long-term finance should this be required.

The tables below summarises the maturity profile of the Group's financial liabilities. The cash flows presented are the contractual undiscounted cash flows and accordingly certain amounts differ from the amounts included in the statement of financial position.

Year ended 31 December 2024

	On demand $000	Less than 3 months $000	3 to 12 months $000	1 to 5 years $000	>5 years $000	Total $000
Lease liabilities	79	159	714	1,634	—	2,586
Interest-bearing loans and borrowings	—	73	18,473	3,083	—	21,629
Trade and other payables	—	4,925	14,936	476	—	20,337
	79	5,157	34,123	5,193	—	44,552

Year ended 31 December 2023

	On demand $000	Less than 3 months $000	3 to 12 months $000	1 to 5 years $000	>5 years $000	Total $000
Lease liabilities	—	139	416	1,916	—	2,471
Interest-bearing loans and borrowings	—	2,903	10,726	7,105	—	20,734
Trade and other payables	—	9,200	—	4,219	—	13,419
	—	12,242	11,142	13,240	—	36,624

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The maximum credit risk exposure relating to financial assets is represented by their carrying value as at the consolidated statement of financial position date.

The Group has adopted a policy of only dealing with creditworthy banks and has cash deposits held with reputable financial institutions. These usually have a lower to upper medium grade credit rating. Trade receivables consist of amounts due to the Group from sales of gold and silver bullion and copper and precious metal concentrates. Sales of gold and silver bullion are made to MKS Finance SA, Switzerland-based gold refiner, and copper concentrate is sold to Industrial Minerals SA and Trafigura PTE Ltd. Due to the nature of the customers, the board of directors does not consider that a significant credit risk exists for receipt of revenues. The board of directors continually reviews the possibilities of selling gold to alternative customers and also the requirement for additional measures to mitigate any potential credit risk.

Foreign currency risk

The presentational currency of the Group is United States Dollars. The Group is exposed to currency risk due to movements in foreign currencies relative to the United States Dollar affecting foreign currency transactions and balances.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at 31 December are as follows:

	Liabilities		Assets	
	2024 $000	2023 $000	2024 $000	2023 $000
UK Sterling	249	477	198	149
Azerbaijan Manats	10,481	8,905	1,917	2,392
Other	1,879	2,519	17	1

Notes to the Group financial statements *continued*

year ended 31 December 2024

25 Financial instruments continued

Foreign currency sensitivity analysis

The Group is mainly exposed to the currency of the United Kingdom (UK Sterling), the currency of the European Union (Euro) and the currency of the Republic of Azerbaijan (Azerbaijan Manat).

The following table details the Group's sensitivity to a 9.16 per cent., 8.69 per cent. and 2.00 per cent. (2023: 10.44 per cent., 10.24 per cent. and 10.00 per cent.) increase in and a 10.32 per cent, 5.57 per cent. and 2.00 per cent. (2023: 10.44 per cent., 10.24 per cent. and 10.00 per cent.) decrease in the United States Dollar against United Kingdom Sterling, Euro and Azerbaijan Manat, respectively. These are the sensitivity rates used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for respective change in foreign currency rates. A positive number below indicates an increase in profit and other equity where the United States Dollar strengthens by the mentioned rates against the relevant currency. Weakening of the United States Dollar against the relevant currency, there would be an equal and opposite impact on the profit and other equity, and the balances below would be reversed.

	UK Sterling impact		Azerbaijan Manat impact		Euro impact	
	2024 $000	2023 $000	**2024 $000**	2023 $000	**2024 $000**	2023 $000
Increase – effect on loss before tax	**5**	34	**171**	651	**162**	258
Decrease – effect on loss before tax	**(5)**	(34)	**(171)**	(651)	**(104)**	(258)

Market risk

The Group's activities are exposed to the financial risk of changes in the price of gold, silver and copper. These changes have a direct impact on the Group's revenues. The management and board of directors continuously monitor the spot price of these commodities. The forward prices for these commodities are also regularly monitored. The majority of the Group's production is sold by reference to the spot price of the commodity on the date of sale. However, the board of directors will enter into forward and option contracts for the purchase and sale of commodities when it is commercially advantageous.

A 10 per cent. decrease in gold price in the year ended 31 December 2024 would result in a reduction in revenue of $3.7 million (2023: $3.3 million) and a 10 per cent. increase in gold price would have the equal and opposite effect a 10 per cent. decrease in silver price would result in a reduction in revenue of $0.08 million (2023: $0.06 million) and a 10 per cent. increase in silver price would have an equal and opposite effect. A 10 per cent. decrease in copper price would result in a reduction in revenue of $0.3 million (2023: $1.4 million) and a 10 per cent. increase in copper price would have an equal and opposite effect.

26 Share capital and merger reserve

	2024		2023	
	Shares	**£**	Shares	£
Authorised				
Ordinary shares of 1 pence each	**600,000,000**	**6,000,000**	600,000,000	6,000,000

	Shares	**$000**	Shares	$000
Ordinary shares issued and fully paid				
1 January and 31 December	**114,392,024**	**2,016**	114,392,024	2,016

Fully paid ordinary shares carry one vote per share and carry the right to dividends. 150,000 ordinary shares were bought back during the year ended 31 December 2022 and are now held in treasury (note 28 – 'Treasury shares').

Share options

The Group has a share option scheme under which options to subscribe for the Company's shares are granted to certain executives and senior employees (note 29 – 'Share based payment').

Merger reserve

The merger reserve was created in accordance with the merger relief provisions under Section 612 of the Companies Act 2006 (as amended) relating to accounting for Group reconstructions involving the issue of shares at a premium. In preparing Group consolidated financial statements, the amount by which the base value of the consideration for the shares allotted exceeded the aggregate nominal value of those shares was recorded within a merger reserve on consolidation, rather than in the share premium account.

27 Share premium

	2024 $000	2023 $000
1 January and 31 December	**33**	33

28 Treasury shares

	2024		2023	
	Shares	**$000**	Shares	$000
1 January and 31 December	**150,000**	**145**	150,000	145

The Company bought back the following ordinary shares in the year ended 31 December 2022:

Date of buyback	Number of shares	Price per share Pence	Total cost £	Total cost $000
21 July 2022	50,000	81.75	40,875	49
10 August 2022	50,000	89.50	44,750	54
16 September 2022	50,000	73.00	36,500	42
	150,000	81.42*	122,125	145

* Average cost.

29 Share-based payment

The Group operates a share option scheme for directors and senior employees of the Group. The period during which share options can be exercised is determined by the board of directors for each individual grant of share options subject to exercise not taking place later than the tenth anniversary of their issue. Options are exercisable at a price equal to the closing quoted market price of the Group's shares on the date the board of directors give approval to grant options. Options are forfeited if the employee leaves the Group and the options are not exercised within three months from leaving date.

The number and weighted average exercise prices ("WAEP") of, and movements in, share options during the year were as follows:

	2024		2023	
	Share options	**WAEP Pence**	Share options	WAEP Pence
Outstanding at 1 January and 31 December	**380,000**	**113**	380,000	113
Exercisable at 31 December	**380,000**	**113**	300,000	114

The weighted average remaining contractual life of the share options outstanding at 31 December 2024 was 2.5 years (2023: 3.5 years) and their average exercise price was 113 pence (2023: 113 pence).

There were no share options issued in the years ended 31 December 2023 and 31 December 2024.

Share options are valued using the assumption that they will only be exercised if the share price prevailing at the date of exercise is equal to, or above, the price at which the options were granted. This methodology approximates to valuing the share options using a Black-Scholes model.

The Group recognised total expense related to equity-settled share-based payment transactions for the year ended 31 December 2024 of $5,000 (2023: $147,000).

30 Distributions paid

	2024 $000	2023 $000
Cash dividends on ordinary shares declared and paid		
Final dividend for 2022: 4.0 US cents per share	—	4,603

Notes to the Group financial statements *continued*

year ended 31 December 2023

30 Distributions paid continued

Cash dividends are declared in US dollars but paid in a combination of US dollars and pounds Sterling. Dividends paid in pounds Sterling are converted into pounds Sterling using a five-day average of the sterling closing mid-price published by the Bank of England at 4pm each day for a specified week prior to payment of the dividend.

The rates used to convert the US dollars into pounds Sterling for the dividends paid in pounds Sterling and the corresponding sterling amount of dividend are as follows:

	Conversion rate	Dividend pence
Final dividend for 2022: 4.0 US cents per share	1.2730	3.1421

31 Subsidiary undertakings and associate company

Anglo Asian Mining PLC is the parent and ultimate parent of the Group.

The Company's subsidiaries included in the Group financial statements at 31 December 2023 and 31 December 2024 are as follows:

Name	Country of incorporation*	Primary place of business	Percentage of holding per cent.
Anglo Asian Operations Limited	England and Wales	United Kingdom	100
Holance Holdings Limited	British Virgin Islands	Azerbaijan	100
Anglo Asian Cayman Limited	Cayman Islands	Azerbaijan	100
R.V. Investment Group Services LLC	Delaware, USA	Azerbaijan	100
Azerbaijan International Mining Company Limited	Cayman Islands	Azerbaijan	100

There has been no change in subsidiary undertakings since 1 January 2024.

The Company's associate company included in the Group financial statements at 31 December 2023 is as follows. Libero Copper & Gold Corporation ceased to be an associate company of the Group on 15 February 2024 (see note 11 – "Investment in an associate company").

Name	Registered address	Primary place of business	Percentage of holding per cent.
Libero Copper & Gold Corporation	Suite 905 – 1111 West Hastings Vancouver, British Columbia Canada, V6E 2J3	The Americas	13.11

* See note 6 – "Subsidiaries" of notes to the Company financial statements for the registered address of the subsidiaries.

32 Contingencies and commitments

The Group undertakes its mining operations in the Republic of Azerbaijan pursuant to the provisions of an Agreement on the Exploration, Development and Production Sharing for Prospective Gold Mining Areas ("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 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 is now 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 in compliance with the environmental clauses contained in the PSA.

33 Related party transactions

Trading transactions

During the years ended 31 December 2023 and 2024, there were no trading transactions between Group companies.

Other 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.

a Remuneration paid to the directors is disclosed in the report on directors' remuneration on page 56.

b During the year ended 31 December 2024, total payments of $333,000 (2023: $4,173,000) were made for processing equipment and supplies purchased from Proses Muhendislik Danismanlik Inshaat ve Tasarim Anonim Shirket, an entity in which the chief operating officer (formerly the vice president of technical services), of Azerbaijan International Mining Company has a direct ownership interest.

At 31 December 2024 there is a payable in relation to the above related party transaction of $282,000 (2023: $33,000).

c During the year ended 31 December 2024, no payment (2023: $282,000) was made for processing equipment and supplies purchased from F&H Group LLC ("F&H"), an entity in which the chief operating officer Azerbaijan International Mining Company has a direct ownership interest.

d On 30 June 2022, a loan of $500,000 was made to the chief operating officer of Azerbaijan International Mining Company. The loan carries an interest rate of 4 per cent and was repayable on 30 June 2023 with earlier repayment permissible. The loan is secured on the Anglo Asian Mining plc shares owned by the Chief Operating officer of Azerbaijan International Mining Company. The loan was guaranteed by the president and chief executive officer of Anglo Asian Mining plc. In June 2023, the loan was renewed on the same terms as previously except the term of the loan was extended for three years from the date of the original advance and the interest rate was increased to 6 per cent. On 21 May 2024, a loan repayment of $40,000 was made, which was deducted from accrued interest up to the date of repayment.

e During 2023, Ilham Khalilov was promoted to Vice President, Azerbaijan International Mining Company ("AIMC") and become a member of the key management personnel of the Group. On 1 October 2020, AIMC lent $245,000 to Ilham Khalilov for a period of 3 years. On 1 October 2023, the loan was extended until 31 December 2026 at an interest rate of 6 per cent. No repayment was made during the year ended 31 December 2024.

34 Subsequent events

Renewal of $5 million term loan with the International Bank of Azerbaijan

On 7 May 2025, the $5 million loan from the International Bank of Azerbaijan to a Group subsidiary which matured on 11 May 2025, was renewed for another year till 11 May 2026. The loan was renewed on the same terms except the interest rate was increased to 8.5 per cent. per annum.

Receipt of waiver of loan covenant from Caterpillar Financial Services Corporation ("Cat Financial")

On 25 April 2025, the Group received a waiver for the breach of the Net debt to EBITDA ratio at 31 December 2024 loan covenant included in its vendor financing facility. The Group did not require a waiver for the net worth covenant as that covenant was not in force at 31 December 2024.

Concentrate offtake agreement

In January 2025, a concentrate purchase agreement which includes a $5.0 million to $10.0 million prepayment facility was entered into with Trafigura Pte. Ltd.

Company statement of financial position

31 December 2024

	Notes	2024 $000	2023 Restated* $000	1 January 2023 Restated* $000
Non-current assets				
Property, plant and equipment	3	**53**	83	113
Investments	4	**1,325**	1,325	1,325
Other financial assets	5	**475**	242	1,864
Other receivables	6	**3,668**	4,193	3,639
		5,521	5,843	6,941
Current assets				
Other receivables	6	**974**	63	1,051
Cash and cash equivalents	8	**43**	1,644	9,760
		1,017	1,707	10,811
Total assets		**6,538**	7,550	17,752
Current liabilities				
Trade and other payables	9	**(54,644)**	(53,441)	(54,630)
Net current liabilities		**(53,627)**	(51,734)	(43,819)
Total liabilities		**(54,644)**	(53,441)	(54,630)
Net liabilities		**(48,106)**	(45,891)	(36,878)
Equity				
Share capital	11	**2,016**	2,016	2,016
Share premium	12	**33**	33	33
Treasury shares	14	**(145)**	(145)	(145)
Share-based payment reserve		**188**	183	142
Retained loss		**(50,198)**	(47,978)	(38,924)
Total equity		**(48,106)**	(45,891)	(36,878)

* See note 16 for details regarding the restatement as a result of an error.

The Company has elected to take the exemption under section 408 of the Companies Act 2006 not to present the parent company income statement or statement of comprehensive income. The loss dealt with in the financial statements of the Company is $2,220,000 (2023: $4,451,000).

These Company financial statements were approved by the board of directors and authorised for issue on 21 May 2025.
They were signed on its behalf by:

Reza Vaziri
President and chief executive

The Company number is 5227012

Company statement of changes in equity

year ended 31 December 2024

	Notes	Share capital $000	Share premium $000	Treasury shares $000	Share-based payment reserve $000	Retained profit/(loss) $000	Total equity $000
1 January 2023		2,016	33	(145)	142	1,076	3,122
Correction of an error	16	—	—	—	—	(40,000)	(40,000)
Restated total equity at 1 January 2023	16	2,016	33	(145)	142	(38,924)	(36,878)
Loss for the year		—	—	—	—	(4,451)	(4,451)
Cash dividends paid	15	—	—	—	—	(4,603)	(4,603)
Share-based payment		—	—	—	41	—	41
31 December 2023		2,016	33	(145)	183	(47,978)	(45,891)
Loss for the year		—	—	—	—	(2,220)	(2,220)
Share-based payment		—	—	—	5	—	5
31 December 2024		**2,016**	**33**	**(145)**	**188**	**(50,198)**	**(48,106)**

Notes to the Company financial statements

year ended 31 December 2024

1 Basis of preparation

The parent company financial statements of Anglo Asian Mining PLC are presented as required by the Companies Act 2006 and were approved for issue on 21 May 2025.

The parent company financial statements have been prepared using the accounting policies set out in note 2 and in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework', ("FRS 101").

As permitted by FRS 101, the Company has taken advantage of the following disclosure exemptions under FRS 101:

(a) the requirements of IFRS 7 – Financial Instruments Disclosures;

(b) the requirements of paragraphs 10(d), 16, 38A to 38D, 111 and 134 to 136 of IAS 1 – Presentation of Financial Statements;

(c) the requirements of IAS 7 – Statement of Cash Flows;

(d) the requirements of paragraphs 45(b) and 46 to 52 of IFRS 2 – Share-based payments; and

(e) the requirements of paragraphs 17 of IAS 24 – Related Party Disclosures.

Where relevant, equivalent disclosures have been given in the Group financial statements, included in this Annual Report.

The Company has applied the exemption from the requirement to publish a separate income statement for the parent company set out in section 408 of the Companies Act 2006.

The parent company financial statements have been prepared under the historical cost convention except for the treatment of share-based payments, certain trade receivables at fair value and financial assets at fair value through profit and loss. The parent company financial statements are presented in United States Dollars ("$") and all values are rounded to the nearest thousand except where otherwise stated. In the Group financial statements "£" and "pence" are references to the United Kingdom pound sterling and "CAN$" and "CAN cents" are references to Canadian dollars and cents. As permitted by section 408 of the Companies Act 2006, the income statement of the parent company is not presented as part of the parent company financial statements.

2 Material accounting policies

2.1 Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses. The initial cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on cost in annual instalments over the estimated useful lives of assets which are reviewed annually. Property, plant and equipment is mainly office and computer equipment which are depreciated on a straight line basis over four years.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable.

2.2 Investments

Investments in subsidiaries are stated at cost, and where appropriate, less any provision for impairment. Impairment is tested annually by comparing the recoverable amount of the underlying subsidiary to the carrying value of the investment, with any shortfall provided for during the period.

2.3 Other financial assets

Other financial assets are listed equity investments and any associated warrants to acquire additional shares in the investment and are held at fair value through profit or loss. They are recognised in the statement of financial position at fair value with net changes in fair value recognised in the profit or loss account. They are classified as current assets with the exception of investments which the Group intend to hold for greater than one year from the balance sheet and which will be accounted for in the Group accounts as an associated company.

2.4 Other receivables

Other receivables include prepayments, advances and other miscellaneous debtors. They are valued at the amount expected to be realised subsequent to the balance sheet date.

2.5 Deferred taxation

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are not recognised in respect of temporary differences where there is insufficient evidence that the asset will be recovered.

2.6 Treasury shares

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in the share premium.

2 Material accounting policies continued

2.7 Share-based payments

The Company has applied the requirements of IFRS 2 – 'Share-based Payment'. IFRS 2 has been applied to all grants of equity instruments.

The Company issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value (excluding the effect of non market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed to the profit and loss account on a straight-line basis over the vesting period, based on the Company's estimate of shares that will eventually vest and adjusted for the effect of non market-based vesting conditions.

The fair value of share options is calculated using the assumption that they will only be exercised if the share price prevailing at the date of exercise is equal to, or above, the price at which the options were granted. This methodology approximates to valuing the share options using a Black-Scholes model. The expected life used in the model has been calculated using management's best estimate of the effects of non-transferability, exercise restrictions and behavioural considerations. The vesting condition assumptions are reviewed during each reporting period to ensure they reflect current expectations.

3 Property, plant and equipment

	Office equipment $000
Cost	
1 January 2023 and 2024	401
Additions	—
31 December 2024	**401**
Depreciation	
1 January 2023	288
Charge for the year	30
31 December 2023	318
Charge for the year	30
31 December 2024	**348**
Net book value	
31 December 2023	83
31 December 2024	**53**

4 Investments

	2024 $000	2023 $000
Shares in subsidiary undertakings		
Anglo Asian Operations Limited	**1,325**	1,325

5 Other financial assets

Non-current	**2024 $000**	2023 $000
Financial assets at fair value through profit or loss		
Listed equity investments	**475**	242

Financial assets at fair value through profit or loss

Listed equity investments

At 31 December 2024, these were 2,130,000 (2023: 21,300,000) shares in Libero Copper & Gold Corporation ("Libero"), a company which is listed on the Toronto Ventures Stock Exchange in Canada. There was a one for ten share consolidation of Libero in the year ended 31 December 2024.

Further information about the Company's investment in Libero is given in note 11 to the Group financial statements – "Investment in an associate company".

Notes to the Company financial statements *continued*

year ended 31 December 2024

6 Other receivables

Non-current assets	2024 $000	2023 Restated* $000	1 January 2023 Restated* $000
Due from subsidiaries	**3,668**	3,658	3,639
Loan	**—**	535	—
	3,668	4,193	3,639

* See note 16 for details regarding the restatement as a result of errors.

Current assets	2024 $000	2023 $000
Prepayments	**208**	1
Loan	**527**	—
VAT receivable from HMRC	**221**	44
Advances	**18**	18
	974	63

7 Subsidiaries

Anglo Asian Mining PLC is the parent and ultimate parent of the Group.

The Company's subsidiaries at 31 December 2024 are set out in the table below. All subsidiaries are 100 per cent. owned within the Group and their financial statements are included in the consolidated group financial statements:

Name	Registered office address	Primary activity
Anglo Asian Operations Limited	33 St James's Square London SW1 4JS United Kingdom	Holding company
Holance Holdings Limited	Vistra Corporate Services Centre Wickhams Cay II Road Town Tortola VG1110 British Virgin Islands	Holding company
Anglo Asian Cayman Limited	Floor 2 Willow House Cricket Square PO Box 709 Grand Cayman KY1 1107 Cayman Islands	Holding company
R.V. Investment Group Services LLC	15 East North Street Dover Kent Delaware United States of America	Mineral development
Azerbaijan International Mining Company Limited	Floor 2 Willow House Cricket Square PO Box 709 Grand Cayman KY1 1107 Cayman Islands	Mining

There has been no change in subsidiary undertakings since 1 January 2024.

8 Cash and cash equivalents

Cash and cash equivalents comprise cash held by the Company and short-term bank deposits with an original maturity of three months or less.

There are no restrictions over the access to, and use of, the Company's bank and cash balances.

9 Trade and other payables

	2024 $000	2023 Restated* $000	1 January 2023 Restated* $000
Trade creditors	—	119	39
Accruals	648	313	184
PAYE and NI payable to HMRC	27	27	27
Amounts owed to subsidiary undertakings	53,969	52,982	54,380
	54,644	53,441	54,630

* See note 16 for details regarding the restatement as a result of errors.

The amounts due to subsidiary undertakings are interest free and have no fixed date for repayment.

10 Deferred taxation

	2024 $000	2023 $000
The elements of unrecognised deferred taxation are as follows:		
Tax losses	35,011	32,805
Unrecognised deferred tax asset	7,002	6,561

A deferred tax asset has not been recognised in respect of temporary differences relating to tax losses as there is insufficient evidence that the asset will be recovered. None of the assets are recognised. The asset would be recovered if suitable taxable profits were generated in future periods.

11 Share capital

	2024		2023	
	Shares	£	Shares	£
Authorised				
Ordinary shares of 1 pence each	600,000,000	6,000,000	600,000,000	6,000,000

	Shares	$000	Shares	$000
Ordinary shares issued and fully paid				
1 January and 31 December	114,392,024	2,016	114,392,024	2,016

Fully paid ordinary shares carry one vote per share and carry the right to dividends. 150,000 ordinary shares were bought back during the year ended 31 December 2022, and are now held in treasury (see note 14 – "Treasury shares").

12 Share-based payments

Equity-settled share option scheme

Details of the Company's equity-settled share option scheme are given in note 29 to the Group financial statements.

13 Share premium account

	2024 $000	2023 $000
1 January and 31 December	33	33

Notes to the Company financial statements *continued*

year ended 31 December 2024

14 Treasury shares

	2024		2023	
	Shares	**$000**	Shares	$000
1 January and 31 December	**150,000**	**145**	150,000	145

The Company bought back the following ordinary shares in the year ended 31 December 2022:

Date of buyback	Shares	Price per share Pence	Total cost £	Total cost $000
21 July 2022	50,000	81.75	40,875	49
10 August 2022	50,000	89.50	44,750	54
16 September 2022	50,000	73.00	36,500	42
	150,000	**81.42***	**122,125**	**145**

* Average cost.

15 Distributions paid

	2024 $000	2023 $000
Cash dividends on ordinary shares declared and paid		
Final dividend for 2022: 4.0 US cents per share	—	4,603

Cash dividends are declared in US dollars but paid in a combination of US dollars and pounds Sterling. Dividends paid in pounds Sterling are converted into pounds Sterling using a five-day average of the sterling closing mid-price published by the Bank of England at 4pm each day for a specified week prior to payment of the dividend.

The rates used to convert the US dollars into pounds Sterling for the dividends paid in pounds Sterling and the corresponding sterling amount of dividend are as follows:

	Conversion rate	Dividend pence
Final dividend for 2022: 4.0 US cents per share	1.2730	3.1421

16 Correction of errors

1. Unlawful payment of dividends by a subsidiary

Sections 836 and 838 of the Companies Act 2006 require that dividends can only be paid by companies who have sufficient distributable reserves from which to pay those dividends. It is a further requirement that "Relevant Accounts" are prepared showing that a company has sufficient distributable reserves from which to pay any proposed dividend.

Anglo Asian Operations Limited, a wholly owned subsidiary of the Company, declared dividends to the Company, totalling $40 million for the years ended 31 December 2019 to 2022. These dividends were settled by way of the intercompany account maintained between the two companies. Although these dividends were paid from the profits of the Anglo Asian Operations Limited, no Relevant Accounts were prepared. This had the effect of making these dividend payments unlawful. This is regarded as a fundamental error. The receipt of these intercompany dividends and settlement by way of intercompany account have therefore been reversed in the financial statements of the Company for the year ended 31 December 2024.

2. Incorrect netting off of amounts due to and from subsidiary companies

In the financial statements for the years ended 31 December 2022 and 31 December 2023 amounts receivable from, and amounts payable to, subsidiary companies were netted off and the net amount disclosed as amounts owed to subsidiary undertakings. This is regarded as a fundamental error as the total of intercompany receivables should be disclosed as an asset and the total of intercompany payables as a liability in the absence of any right of set off of balances between the companies. The only Group companies where right of set off exists is between R.V. Investment Group Services LLC and Azerbaijan International Mining Company Limited. The net amount payable to these two companies is disclosed as owed to subsidiaries.

16 Correction of errors continued

3. Correction of errors

The two errors above have been corrected as follows:

- Restating the retained earnings/(loss) and the amount owed by Anglo Asian Operations Limited for each of the years 31 December 2019 to 31 December 2022.
- Restating the balance sheets for the years ended 31 December 2022 and 31 December 2023. Amounts owed by subsidiary companies are included in the balance sheet as other receivables and not netted off the amount owed to subsidiary companies. The amounts owed to subsidiary companies are increased by the corresponding amount.

Table one below shows the retained earnings of the Company for the years ended 31 December 2019 to 31 December 2022 without the receipt of the dividends from Anglo Asian Operations Limited.

Table two below shows the effects of the following on other receivables, trade and other payables and retained profit and loss:

- The grossing up of the amounts due to and from subsidiaries
- reversal of the amount due from Anglo Asian Operations Limited in respect of the unlawful dividends

Table 1

	Statement of financial position (extract)
	Retained earnings/(loss) $000
31 December 2019	
As disclosed – before restatement	9,092
Reversal of dividend for 2019	(10,000)
31 December 2019 – restated	(908)
Profit for 2020	8,582
Cash dividends paid	(10,311)
Reversal of dividend received by the Company	(10,000)
31 December 2020 – restated	(12,637)
Profit for 2021	9,266
Cash dividends paid	(10,918)
Share-based payment	7
Reversal of dividend received by the Company	(10,000)
31 December 2021 – restated	(24,282)
Profit for 2022	3,977
Share-based payment	(7)
Cash dividends paid	(8,612)
Reversal of dividend received by the Company	(10,000)
31 December 2022 – restated	(38,924)

Table 2

	Year ended 31 December 2023			Year ended 31 December 2022		
$000	**As previously stated**	**Adjustments**	**As presented in these financial statements**	As previously stated	Adjustments	As presented in these financial statements
Non-current assets						
Other receivables	**535**	**3,658**	**4,193**	—	3,639	3,639
Current liabilities						
Trade and other payables	**9,783**	**43,658**	**53,441**	10,991	43,639	54,630
Equity						
Retained (loss)/profit	**(7,978)**	**(40,000)**	**(47,978)**	1,076	(40,000)	(3,924)

Notes to the Company financial statements *continued*

year ended 31 December 2024

17 Contingencies

Unlawful dividends

As set out in note 16 above, the dividend payments made by Anglo Asian Operations Limited to the Company in the years ended 31 December 2019 to 2022 were unlawful. Anglo Asian Mining PLC also paid a dividend in the year ended 31 December 2023 which was not from retained earnings. Accordingly, the dividends paid, and share buy backs, by the Company in the years 2012 to 2023 were unlawful.

Shareholders who knew, or had reasonable grounds to know, that any dividend was unlawful may be liable to repay the dividend received. Directors may also be liable in certain circumstances to repay the dividend themselves. It is not the intention of the Directors to request any repayment of any dividend.

In 2025, the following actions will be carried out to rectify the situation:

- Sufficient profits will be distributed to the Company by Anglo Asian Operations Limited from which all historic dividends and share buy backs can be appropriated; and
- The Company will convene a general meeting of its shareholders to rectify the unlawful dividends. The shareholders will be asked to authorise, by way of a special resolution, to ratify the accounting entries in respect of the unlawful dividend by appropriating the distributable profits of the company to the payment of the unlawful dividend. This will take effect so that the distributable profits are appropriated with reference to the same record date as the original accounting entry of the unlawful dividend.

The Directors therefore believe that the possibility of any shareholder being required to repay any historic dividend to the Company is very remote and no entries have been made in the financial statements for the year ended 31 December 2024 in respect of any dividend repayment.

Guarantor for vendor financing loan

The Company has provided a guarantee for a vendor financing loan from Caterpillar Financial Services Corporation (“Caterpillar”) to the Company’s wholly owned subsidiary, Azerbaijan International Mining Company Limited (“AIMC”). Further details of the loan are given in note 22 to the Group financial statements. The amount outstanding at 31 December 2024 was $3.1 million. The loan is subject to net debt to EBITDA and net worth covenants and AIMC was in breach of these covenants at 31 December 2024. Subsequent to 31 December 2024, the Group was granted a waiver of the covenants at 31 December 2024 by Caterpillar.

18 Subsequent events

Receipt of waiver of loan covenant from Caterpillar Financial Services Corporation (“Cat Financial”)

On 25 April 2025, the Group received a waiver for the breach of the Net debt to EBITDA ratio at 31 December 2024 loan covenant included in its vendor financing facility. The Group did not require a waiver for the net worth covenant as that covenant was not in force at 31 December 2024.

Letter to shareholders from the Chairman

Anglo Asian Mining PLC

(Incorporated and registered in England and Wales under the Companies Act 1985 with registered number 5227012)

Registered office

33 St James's Square, London SW1Y 4JS, United Kingdom

29 May 2025

To the holders of ordinary shares of Anglo Asian Mining PLC (the "Company").

Dear shareholder

Accompanying this letter, you will find the Company's annual report and accounts for the year to 31 December 2024 together with the attached notice of the annual general meeting to be held on 25 June 2025 (the "Meeting") and a form of proxy. This letter is to explain the procedure for the annual general meeting and give the background to some of the resolutions to be put to shareholders at the Meeting.

Annual General Meeting ("AGM") for 2025

The meeting will be held on 25 June 2025 at 11.00am at The Washington Mayfair Hotel, 5 Curzon Street, Mayfair, London W1J 5HE, United Kingdom. All shareholders are welcome to attend.

Background to resolutions

Resolution 3 – Re-election of the director retiring by rotation

Under the Company's articles of association, one third of the directors of the board of directors (or, if the number of directors is not three or a multiple of three, the number nearest to and not exceeding one third) must retire at each annual general meeting and may offer themselves for re-election to the board of directors. This year John Monhemius is retiring in accordance with the Company's articles of association and is seeking re-election at the Meeting.

Resolution 4 – Authority to allot shares

This ordinary resolution deals with the renewal of the directors' authority to allot new ordinary shares during the course of the year in order to facilitate the business of the Company and renews the equivalent authority granted at last year's annual general meeting which expires at the end of the Meeting.

The current Investment Association guidelines state that Investment Association members will permit, and treat as routine, resolutions seeking authority to allot shares representing up to two-thirds of the Company's issued share capital, but on the basis that any authority to allot shares exceeding one-third of the Company's issued share capital can only be used to allot shares pursuant to a fully pre-emptive rights issue.

In accordance with these guidelines, resolution 5 proposes that directors be granted authority to allot shares in the capital of the Company up to a maximum amount representing the guideline limit of two-thirds of the Company's issued ordinary share capital as at 21 May 2025 (the latest practicable date prior to publication of this letter). Of this amount, half can only be allotted pursuant to a rights issue.

The authority will expire on the earlier of: (i) the conclusion of the next annual general meeting; or (ii) 30 June 2026 (being six months after the Company's accounting reference date).

Resolution 5 – Disapplication of statutory pre-emption rights

This resolution is a special resolution that renews the authority given at last year's Annual General Meeting and which seeks to give the directors the authority to allot securities for cash on a pre-emptive basis within the limits of the authority set out in resolution 5 and on a non pre-emptive basis up to a maximum of 10 per cent. of the issued ordinary share capital of the Company. The directors believe that it is in the best interests of the shareholders that the directors should have the right to allot relevant securities for cash on a pre-emptive basis and a limited authority to allot relevant securities for cash on a non-pre-emptive basis.

Letter to shareholders from the Chairman *continued*

Background to resolutions continued

Resolution 6 – Buyback of shares

This resolution is a special resolution to provide the Company with the necessary authority to purchase its ordinary shares. If the resolution is passed, the authority will expire at the conclusion of the Annual General Meeting of the Company to be held in 2026 or, if earlier, at the close of business on 30 June 2026, unless renewed before that time. The directors intend to exercise this right only when, in light of market conditions prevailing at the time, they are satisfied that any purchase will increase the earnings per share of the ordinary share capital in issue after the purchase and, accordingly, that the purchase is in the interests of shareholders. The directors will also give careful consideration to any borrowing required by the Company and its general financial position. The maximum number of shares which may be purchased under the proposed authority will be 11,424,202 ordinary shares representing approximately 10 per cent. of the issued ordinary share capital of the Company. The price paid for ordinary shares will not be less than the nominal value. The price paid will not be more than the higher of 5 per cent. above the average of the middle market quotation of the Company's ordinary shares as derived from the London Stock Exchange Daily Official List for the five business days preceding the day on which the shares are purchased and an amount equal to the higher of the price of the last independent trade of an ordinary share and the highest current independent bid for an ordinary share on the trading venue where the purchase is carried out.

The directors do not intend to use the authority granted by the resolution proposed this year to buy back shares without first seeking the approval of its independent shareholders and the Takeover Panel through the appropriate "Whitewash" procedures.

Recommendation

The directors consider all the resolutions to be put to the Meeting to be in the best interests of the Company and its shareholders as a whole and are most likely to promote the success of the Company for the benefit of its shareholders as a whole. Accordingly, the directors unanimously recommend that you vote in favour of the proposed resolutions, as they intend to do in respect of their own beneficial shareholdings.

Yours faithfully

Khosrow Zamani

Non-executive chairman

Notice of annual general meeting of shareholders

NOTICE IS HEREBY GIVEN that the annual general meeting ("AGM") of the shareholders of Anglo Asian Mining PLC (the "Company") will be held on 25 June 2025 at 11.00am at The Washington Mayfair Hotel, 5 Curzon Street, Mayfair, London W1J 5HE, United Kingdom for the purpose of considering and, if thought fit, passing the following resolutions, of which resolutions 1 to 4 (inclusive) will be proposed as ordinary resolutions and resolutions 5 and 6 will be proposed as special resolutions:

Ordinary resolutions

1 THAT the consolidated financial statements and the reports of the board of directors and of the auditors for the year ended 31 December 2024 be received.

2 THAT BDO LLP be re-appointed as the auditors of the Company and that the board of directors be authorised to fix their remuneration.

3 THAT John Monhemius be re-elected as a director, having retired by rotation in accordance with the Company's articles of association.

4 THAT the directors be hereby authorised generally and unconditionally pursuant to Section 551 of the Companies Act 2006 (the "Act") to exercise all powers of the Company to allot equity securities (as defined in Section 560 of the Act):

(a) up to an aggregate nominal amount of £380,807*; and

(b) up to an aggregate nominal amount of £761,613** (including within such limit any equity securities issued under paragraph (a) above) in connection with an offer by way of a rights issue:

(i) to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and

(ii) to holders of other equity securities as required by the rights of those securities or as the directors otherwise consider necessary, and so that the directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with any treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any matter.

The authority granted by this resolution shall (unless previously revoked, varied or extended by the Company in general meeting) expire on the conclusion of the next AGM of the Company after the passing of this resolution or, if earlier, on 30 June 2026, save that the Company may at any time before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such an offer or agreement as if this authority had not expired.

Special resolutions

5 THAT subject to the passing of resolution 4 above the directors be hereby empowered pursuant to Section 570 and Section 573 of the Act to allot equity securities (as defined by Section 560 of the Act) wholly for cash and/or to sell or transfer shares held by the Company in treasury ("Treasury Shares") as the directors deem appropriate (in the case of allotments, pursuant to the authority conferred by resolution 4 above) as if Section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment (or, in the case of Treasury Shares, the sale or transfer) of equity securities:

(a) in connection with an offer of such securities by way of rights to holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings of such shares, but subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements or any legal or practical problems under the laws of any territory, or the requirements of any regulatory body or stock exchange or otherwise; and

(b) otherwise than pursuant to sub-paragraph (a) of this resolution up to an aggregate nominal amount of £114,242†,

and provided that this authority shall (unless previously revoked, varied or extended by the Company in general meeting) expire on the conclusion of the Company's next annual general meeting or, if earlier, 30 June 2026 save that the Company may, at any time before such expiry make an offer or agreement which would or might require equity securities to be allotted (or in the case of Treasury Shares, sold or transferred) after such expiry and the directors may allot (or in the case of Treasury Shares, sell or transfer) equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred hereby has expired.

Notice of annual general meeting of shareholders *continued*

Special resolutions continued

6 THAT the Company be and it is hereby generally authorised to make market purchases (within the meaning of section 693(4) of the Act) of ordinary shares of £0.01 each in the capital of the Company on such terms and in such manner as the board of directors may from time to time determine, provided that:

(a) the number of such ordinary shares hereby authorised to be purchased by the Company shall not exceed 11,424,202;

(b) the minimum price (exclusive of expenses) which may be paid for any ordinary share shall be £0.01, being the nominal value of each ordinary share;

(c) the maximum price (exclusive of expenses) which may be paid for each ordinary share shall be the higher of:

(i) an amount equal to 105 per cent. of the middle market quotations for an ordinary share as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the date on which the ordinary share is purchased; and

(ii) an amount equal to the higher of the price of the last independent trade of any ordinary share and the highest current independent bid for an ordinary share on the trading venue where the purchase is carried out.

Unless previously revoked, renewed, extended or varied, the authority hereby conferred shall expire at the conclusion of the annual general meeting of the Company to be held in 2026 or, if earlier, at the close of business on 30 June 2026, provided that the Company may effect purchases following the expiry of such authority if such purchases are made pursuant to contracts for purchases of ordinary shares which are entered into by the Company on or prior to the expiry of such authority.

By order of the board of directors

W R Morgan

William Morgan
Company Secretary
33 St James's Square
London SW1Y 4JS
United Kingdom
29 May 2025

* Calculated as one third of the nominal value of the total issued ordinary share capital excluding shares held in treasury (i.e. 114,242,024 shares of nominal value £1,142,420.24).

** Calculated as two thirds of the nominal value of the total issued ordinary share capital excluding shares held in treasury (£1,142,420.24).

† 10 per cent. of the ordinary issued share capital of the Company excluding shares held in treasury (£1,142,420.24).

Notes

1 A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to exercise any of their rights to attend, speak and vote on their behalf at the AGM. A proxy need not be a member of the Company. Where more than one proxy is appointed, each proxy must be appointed for different shares. A proxy form is enclosed. Completion and return of a proxy form will not preclude a member from attending and voting at the AGM. To be effective, the form of proxy must be completed, signed and lodged (together with the authority, if any, under which this form of proxy is signed or a certified copy of such authority) at MUFG Pension & Market Services, PXS 1, Central Square, 29 Wellington Street, LEEDS LS1 4DL not later than 11.00am 23 June 2025.

2 In accordance with Regulation 41 of the Uncertificated Securities Regulations 2001, only those members entered on the register of members of the Company at close of business on 23 June 2025 shall be entitled to vote in respect of shares registered in their name at that time. Changes to the register of members after close of business on 23 June 2025 shall be disregarded in determining the rights of any person to attend or vote at the AGM.

3 CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) thereof by utilising the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message ("a CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's ("EUI") specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent ("RA10") by 11.00am on 23 June 2025 or if the meeting is adjourned, at least 48 hours before the start of the adjourned meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

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