Anglo Asian Mining plc / Ticker: AAZ / Index: AIM / Sector: Mining

26 September 2024

Anglo Asian Mining plc

Interim results for the six-months to 30 June 2024

Ramp-up to full production underway

FY 2024 Production Guidance of 15,000 to 19,500 gold equivalent ounces maintained

Anglo Asian Mining plc ("Anglo Asian", the "Company" or the “Group”), the AIM-listed copper, gold, and silver producer in Azerbaijan announces its interim results for the six-months ended 30 June 2024 (“H1 2024” or the “Period”).

The Group’s performance was in keeping with expectations, given that agitation leaching and flotation processing were suspended throughout the Period.

The Group has now received authorisation from the Government of Azerbaijan for the raise of its tailings dam wall, construction of which started on 6 August 2024. The Group is swiftly progressing towards normalised production.

Financial highlights

- Total revenues of $13.4 million (H1 2023: $30.8 million) due to agitation leaching and flotation production being suspended throughout the period
  - Lower gold bullion sales of 6,000 ounces (H1 2023: 10,506 ounces) partially offset by a higher average gold price of $2,174 per ounce (H1 2023: $1,939 per ounce)
  - Copper concentrate sales lower at $0.5 million (H1 2023: $10.4 million)
- Loss before taxation of $5.5 million (H1 2023: profit of $1.4 million)
  - Gross loss of $1.7 million (H1 2023: gross profit of $5.6 million)
  - Higher finance costs at $1.2 million (H1 2023: $0.7 million) due to higher borrowings
- Net cash generated by operating activities of $3.2 million (H1 2023: $0.6 million)
- Investment in our future growth continued in the Period
  - $6.3 million mine development and other capital expenditure (H1 2023: $6.6 million)
- Net debt of $12.0 million as at 30 June 2024 (31 December 2023: $10.3 million)
- No interim dividend declared for 2024 due to the loss in the Period

Operational highlights

- Total production of 5,270 Gold Equivalent Ounces (“GEOs”) (H1 2023: 23,391 GEOs) due to suspension of agitation leaching and flotation processing throughout the Period
  - Gold production of 4,704 ounces (H1 2023: 14,623 ounces)
  - Copper production of 100 tonnes (H1 2023: 1,870 tonnes)
  - Silver production of 12,746 ounces (H1 2023: 44,696 ounces)

- Garadag JORC maiden mineral resources estimate published on 24 September 2024
    - Group's four new mineral deposits now have a combined JORC mineral resources estimate of over one million tonnes of copper
- Full year 2024 production guidance maintained of between 15,000 to 19,500 GEOs
    - Gold production of between 14,000 to 16,000 ounces
    - Copper production of between 250 to 850 tonnes

Approval of tailings dam wall raise and restart of full production

- Authorisation from the Government of Azerbaijan received on 5 August 2024 for the Group to raise the wall of its existing tailings dam
    - The first phase of 2.5 metres is expected to be completed in November 2024
- Agitation leaching processing nearing the end of its start-up commissioning with production to restart imminently with flotation processing restarting in November
- First ore expected to be mined from Gilar in December 2024

Anglo Asian CEO Reza Vaziri commented:

"I am pleased to report on a satisfactory performance during the first half of 2024. Production was significantly reduced due to the partial suspension of processing throughout the Period which resulted in a loss. The loss was minimised by stringent cost control. Cash was also carefully managed resulting in net debt increasing by less than two million dollars in the Period.

"During this time of significantly reduced production, we have taken a number of important steps to deliver future growth and achieve our medium-term target of becoming a mid-tier producer. We are currently ramping up towards previous rates of production and are also close to bringing Gilar into production. I look forward to updating the market on these and other developments in due course."

Market Abuse Regulation (MAR) Disclosure

Certain information contained in this announcement would have been deemed inside information for the purposes of Article 7 of Regulation (EU) No 596/2014, which was incorporated into UK law by the European Union (Withdrawal) Act 2018, until the release of this announcement.

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Chairman’s statement

Dear Shareholders

The six months to 30 June 2024 remained challenging for Anglo Asian as production from agitation leaching and flotation was suspended throughout the Period while we waited for authorisation from the Government of Azerbaijan to raise our tailings dam wall. We were pleased to receive authorisation in early August and immediately started the raise of the tailings dam wall. We are now making rapid progress to restart both agitation and flotation processing.

The Company continued to make progress on its growth plans. Development of the new Gilar mine continued with its first ore expected to be extracted in December. We continued to confirm our mineral resources with the publication of the maiden Xarxar JORC mineral resources estimate in February. The maiden Garadag JORC mineral resources estimate was also published post Period-end on 24 September 2024. Restricted access to Demirli was obtained and we have now started work at the property. We also took steps to strengthen our Environmental Social and Governance (‘ESG’) credentials, including the formation of a Sustainability Committee.

Production

Our performance in the Period was severely impacted by the partial suspension of processing, resulting in total production of only 5,270 gold equivalent ounces ("GEOs"). This was predominantly 100 tonnes of copper and 4,704 ounces of gold from heap leaching and SART processing. This was a major reduction compared to last year, which included a full six months of agitation leaching and flotation processing. Our production from heap leach and SART processing proved critical to maintaining the Company’s solvency during the Period. This flexibility in our processing operations is another demonstration of the Company’s resilience.

Tailings dam wall construction and production guidance

On 5 August 2024, we received authorisation from the Government of Azerbaijan to raise the wall of our tailings dam which is a credit to the many parties involved for all their hard work. Construction is now underway, and we expect the first phase, which is a 2.5 metre raise of the dam wall, to be completed in November. Accordingly, we have issued 2024 production guidance of between 15,000 and 19,500 GEOs, including 250 to 850 tonnes of copper and 14,000 to 16,000 ounces of gold.

Strategic growth plan

Our medium-term growth strategy remains intact, with the Gilar mine expected to enter first production in December. The start-up of Gilar will be a significant milestone in the Company becoming a mid-tier 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 start reversing the declining production of the last few years from its existing mines which are all starting to approach the end of their lives.

Another important event during the Period was that 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 future collaboration with AzerGold CJSC will allow us to leverage their extensive local experience and expertise.

Libero Copper and Gold Corporation ("Libero")

Our shareholding in Libero remained unchanged throughout the Period. However, our interest in Libero suffered a very significant dilution in early 2024 following a major fund raising in which we did not participate. Libero ceased to be an associate company following the fund raising and will now be classified as an equity investment. Although the overall investment to date has been a disappointment, we still believe Libero has the ability to create shareholder value.

Dividend and going concern

The Company continued to make losses in the Period and therefore does not intend to pay an interim dividend. The directors fully intend to resume dividend payments once conditions allow.

The Micon environmental audit and subsequent partial suspension of processing resulted in the financial statements for the six months to 30 June 2023 and the full year to 31 December 2023, containing material uncertainties as to going concern. However, given the receipt of the authorisation of the tailings dam wall raise and imminent restart of full operations, the financial statements for the Period do not contain any material uncertainties to going concern. Further details regarding going concern are contained within the financial review and financial statements below.

UN Climate Change Conference in Baku in November 2024 ("COP 29")

Preparations for the COP 29 conference are now well underway in Baku with significant work being undertaken to prepare the city for the event. The Company welcomes this opportunity for Azerbaijan to showcase its capital city and, as a significant business in Azerbaijan, it intends to fully participate in the conference where appropriate.

Annual General Meeting for 2024 ("AGM")

Our AGM was held on 20 June 2024 and we were very pleased with the continuing strong support and interest from our shareholders. For the first time, a detailed presentation about the Company was made following the formal business of the AGM. We believe this was well received by our shareholders and the Company plans to make further such presentations at future AGMs.

Appreciation

I would like to extend my gratitude to all Anglo Asian 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 during what has been a challenging time. As we navigate the remainder of 2024, we are poised to deliver on our strategic goals and look forward to a strong finish to the year and a better 2025.

Khosrow Zamani
Non-executive chairman
25 September 2024

Chief Executive Officer's review

I am pleased to report a satisfactory performance for the six months to 30 June 2024 given the circumstances. Production was significantly reduced due to the partial suspension of processing throughout the Period which resulted in a loss. However, strict cost control in the Period limited the loss before tax to $5.5 million.

Following the authorisation for the raise of our tailings dam wall, we are now working to return to full production in a prompt and responsible manner. We expect full processing to restart in November.

Operational review

Total production for the Period was 5,270 gold equivalent ounces ("GEOs"), compared to 23,391 GEOs during the same period last year ("H1 2023"). Copper production totalled 100 tonnes, compared with 1,870 tonnes in H1 2023, while gold production totalled 4,704 ounces, compared with 14,623 ounces in H1 2023.

We took the opportunity of the shut-down of agitation leaching and flotation processing to undertake extensive renovation and refurbishment of our plants. The agitation leaching plant has now undergone cold commissioning using water for testing and all minor leaks have been rectified. All crushing and grinding equipment has been subject to extensive maintenance and is fully operational.

Development of the Gilar mine continued throughout 2024. The tunnelling encountered worse ground conditions than anticipated, which has required the use of shotcrete and reinforced roof supports. Water has also been encountered which is now being pumped from the mine. Approximately 515 metres of the ventilation tunnel and 1,199 metres of the production tunnel have been completed. The surface infrastructure is now complete and includes a heavy equipment maintenance workshop. Our new Caterpillar mining fleet has been deployed in the tunnelling.

We also made important progress with our development portfolio. In January, drilling results confirmed a significant quantity of copper mineralisation at Xarxar. In February, 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. Post period-end on 24 September, 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. 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 have obtained restricted access to Demirli and there have been various visits by senior management and directors. Environmental, tailings dam and other studies are currently underway to fully evaluate the property. We are also refurbishing the site accommodation and laboratory. A drill programme of the remaining resource is also being planned.

We decided not to take part in Libero Copper & Gold Corporation's ("Libero") fundraise in January. This decision reflected the Company's priorities and cash requirements. Our shareholding reduced to 5.9 per cent., with Michael Sununu resigning from Libero's Board in February.

Tailings storage and the restart of production

We were delighted in early August to receive authorisation from the Government of Azerbaijan to raise our tailings dam wall and construction began immediately. The work is progressing well, and the Company anticipates that the first raise of 2.5 metres will be completed in November. We have also commenced our return to full production with the agitation leaching processing plant currently being commissioned and flotation processing to be restarted in in November. The plants will initially process ore from our existing mines with processing of ore from Gilar expected to start in December.

Financial review

Revenues were $13.4 million compared to $30.8 million in the six months to 30 June 2023 ("H1 2023"). Revenues for H1 2024 include gold bullion sales of 6,000 ounces at an average price of $2,174 per ounce and total copper concentrate sales of 331 dry metric tonnes valued at $0.5 million.

The Company did not hedge any of its gold bullion production in the Period. 1,600 ounces of gold in respect of hedges entered into in 2023 were closed in the Period, 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 $5.5 million compared with a profit in H1 2023 of $1.4 million. This loss was incurred due to the partial suspension of processing throughout the Period and higher finance costs.

The Group will not report an All-In Sustaining Cost ("AISC") of gold produced for H1 2024. The Group's costs in H1 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 this Period.

Following a refinancing by Libero in early 2024, in which Anglo Asian did not participate, our holding in Libero fell to 5.9 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 net gain of $0.3 million was recognised the Period in respect of Libero due to the increase in its share price.

The Company had net debt of $12.0 million at 30 June 2024 and saleable inventory of 1,463 ounces of gold with a market value of approximately $3.0 million.

In May, 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. 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, 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 and a further $2.0 million prepayment will be receivable upon resumption of flotation processing. Trafigura has been given the exclusive right to purchase 50 per cent. of the first year of future copper concentrate production from Demirli.

Revenues from production at Gedabek throughout the Period 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.

Environmental, Social and Governance ("ESG")
We have put several practices in place in the Period to ensure that we grow sustainably and uphold our commitment to operate responsibly.

In March, we were pleased to announce the establishment of our sustainability committee, which is chaired by Professor John Monhemius. The committee will oversee the development of our strategy related to sustainable development and social responsibility. It reflects our dedication to operational safety, sustainable practices, environmental stewardship and community engagement.

As part of our ongoing commitment to upholding the highest standards of tailings management, we announced our commitment to the Global Industry Standard on Tailings Management ("GISTM"). This set of principals was established under the auspices of the UN Environment Programme, the International Council on Mining and Metals and the Principles of Responsible Investment. We have confirmed with the Church of England Pensions Board, which oversees the implementation of the GISTM, that Anglo Asian will work towards full compliance by the end of 2026.

We were also very pleased to include full 'Climate change and task force on climate-related financial disclosures (TCFD)' for the first time in our 2023 annual report.

Outlook

The last 12 months have been challenging for the Company. However, we believe this difficult period is now behind us. Our immediate focus is now on fully restarting our operations and bringing Gilar into production. We remain on track to restart full production in November, with production from Gilar commencing in December.

We recently issued production guidance for the year of between 16,000 and 19,500 GEOs, comprising 14,000 to 16,000 ounces of gold and 250 to 850 tonnes of copper. We anticipate agitation leaching production to restart imminently and flotation processing in November.

We have maintained our focus on the future development of the Company. We remain on track to deliver our growth targets and to become a mid-tier, multi-asset, primarily copper producer in the medium term.

Reza Vaziri
President and chief executive
25 September 2024

Corporate Governance

A statement of the Company's compliance with the ten principles of corporate governance in the Quoted Companies Alliance Corporate Governance Code ('QCA Code') can be found on the Company's website at http://www.angloasianmining.com/media/pdf/CORPORATE_GOVERNANCE.pdf

Competent Person Statement

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

Westhead is a Fellow of The Geological Society of London, a Chartered Geologist, Fellow of the Society of Economic Geologists, Fellow of The Institute of Materials, Minerals and Mining and a Member of the Institute of Directors.

Dr Stephen Westhead has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'; who is a Member or Fellow of a 'Recognised Professional Organisation' (RPO) included in a list that is posted on the ASX website from time to time (Chartered Geologist and Fellow of the Geological Society and Fellow of the Institute of Material, Minerals and Mining).

Dr Stephen Westhead has sufficient experience, relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking, to qualify as a "competent person" as defined by the AIM rules.

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

Strategic report

Principal activities

Anglo Asian Mining PLC (the "Company"), together with its subsidiaries (the "Group"), owns and operates gold, silver and copper producing properties in the Republic of Azerbaijan ("Azerbaijan"). It also explores for, and develops, gold and copper deposits in Azerbaijan.

The Group 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. The Group has a major new underground mine in development at Gedabek – Gilar. The Zafar deposit is also situated at Gedabek. Development of Zafar started in 2023 but has been suspended since mid-2023. The Group's processing facilities are also located at Gedabek.
- **Xarxar.** Located adjacent to Gedabek and Garadag and which 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 Azerbaijan's Nakhchivan exclave.
- **Kyzlbulag.** Situated in Karabakh. It hosts the Kyzlbulag mine.
- **Demirli.** Adjacent to Kyzlbulag and expands the Kyzlbulag Contract Area to the northeast. It hosts a copper and molybdenum mine and a processing plant.

The Gedabek, Xarxar, Garadag and Gosha Contract Areas form a contiguous territory totalling 1,408 square kilometres. The Group currently has restricted access to the Demirli Contract Area and no access to the Kyzlbulag Contract Area which are both situated in Karabakh. The PSA will only commence in respect of these latter 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 the six months to 30 June 2024

The Company'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 was suspended throughout the Period whilst permission was being obtained for a final raise of the tailings dam wall. Limited production of gold doré and copper continued throughout the Period by heap leach and SART processing. Only limited mining took place but development of the Gilar mine continued throughout the period.

Despite the limited production during the Period 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.

Gilar mine development

Gilar mine development continued through the Period. At 19 September 2024, 1,199 metres of the total length of 1,461 metres of the main decline had been completed. 515 metres of the total length of 774 metres of the ventilation tunnel had also been completed. The surface infrastructure supporting the tunnelling was also completed.

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 falling to approximately 5.9 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.

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.

Production guidance for full year 2024 ("FY 2024")

The Group published production guidance for FY 2024 on 22 August 2024 following commencement of the construction of the raise of its tailings dam wall. The production guidance is between 15,000 to 19,500 gold equivalent ounces ("GEOs") as follows:

Metal	Full year 2023 Actual production	Full year 2024 production guidance*
Gold	21,758 ounces	14,000 to 16,000 ounces
Copper	2,138 tonnes	250 to 850 tonnes
Total**	31,821 GEO's	15,000 to 19,000 GEOs

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

** *The gold equivalent ounces have been computed using actual metal prices for the 7 months of January to July 2024 and a gold price of $2,500 per ounce and a copper price of $8,900 per tonne for the 5 months of August to December 2024.*

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 Gilar underground mine as at 1 March 2024. 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 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 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 1 – Internal Group estimate of the remaining mineralisation of the Gedabek open pit in accordance with JORC at 1 March 2024

	Tonnage (tonnes)	In-situ grades				Contained metal			
		Gold (g/t)	Copper (%)	Silver (g/t)	Zinc (%)	Gold (koz)	Copper (t)	Silver (koz)	Zinc (t)
Measured and indicated	5,209,556	0.45	0.33	3.5	0.18	76	17,201	710	9,467
Inferred	189,677	0.63	0.22	5.3	0.10	4	423	15	193
Total	**5,399,233**	**0.45**	**0.33**	**3.6**	**0.08**	**80**	**17,624**	**725**	**9,661**

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 March 2024

	Tonnage (tonnes)	In-situ grades				Contained metal			
		Gold (g/t)	Copper (%)	Silver (g/t)	Zinc (%)	Gold (koz)	Copper (t)	Silver (koz)	Zinc (t)
Measured and indicated	424,111	1.38	0.04	13.9	0.31	19	173	190	1,311
Inferred	-	-	-	-	-	-	-	-	-
Total	**424,111**	**1.38**	**0.04**	**13.9**	**0.31**	**19**	**173**	**190**	**1,311**

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 March 2024

	Tonnage (tonnes)	In-situ grades				Contained metal			
		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	24	0.52	1	99	12	81
Inferred	-	-	-	-	-	-	-	-	-
Total	**15,483**	**2.38**	**0.64**	**24**	**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

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

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

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

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

Domain	Indicated			Inferred			Indicated and inferred*		
	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

Domain	Cut-off	Indicated			Inferred			Indicated and inferred		
		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	kilograms	2,148.5	2,264.2	**4,412.7**
Silver	kilograms	6,108.9	4,645.2	**10,754.1**
Copper	tonnes	1,593.6	1,348.8	**2,942.4**

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

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 well advanced with its first ore expected to be extracted in December 2024. One portal of the Zafar mine has been constructed but further work is currently suspended.

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 30 June 2024, approximately 815 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 December 2023, the Group agreed an action plan with the Government of Azerbaijan 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 Period with the Government of Azerbaijan receiving frequent updates on their status.

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.

Table 9 shows all the ore mined by the Group in the year ended 31 December 2023 and six months ended 30 June 2024.

Table 9 – Ore mined at Gedabek for the year ended 31 December 2023 and 6 months ended 30 June 2024

	12 months to 31 December 2023		3 months to 31 March 2024		3 months to 30 June 2024	
Mine	**Ore mined (tonnes)**	**Average gold grade (g/t)**	**Ore mined (tonnes)**	**Average gold grade (g/t)**	**Ore mined (tonnes)**	**Average gold grade (g/t)**
Open pit	1,180,695	0.38	186,122	0.81	101,199	0.74
Gadir – u/g	109,320	1.64	50,964	2.18	43,326	1.33
Total	**1,290,015**	**0.49**	**237,086**	**1.10**	**144,525**	**0.92**

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 have undergone extensive maintenance since August 2023 when production was partially suspended. Extensive refurbishment of the agitation and flotation plants has been carried out, including installing a new hopper and redesigned pipework for the agitation leach plant to improve ore feed. The ball mills have been relined and refurbished. Much of the work has improved safe working such as repairing minor leaks, installing new floors and improved 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 10 summarises the ore processed by leaching for the year ended 31 December 2023 and the six months to 30 June 2024:

Table 10 – Ore processed by leaching at Gedabek for the year ended 31 December 2023 and six months ended 30 June 2024

Quarter ended	Ore processed			Gold grade of ore processed		
	Heap leach pad crushed ore (tonnes)	Heap leach pad ROM ore (tonnes)	Agitation leaching plant* (tonnes)	Heap leach pad crushed ore (g/t)	Heap leach pad ROM ore (g/t)	Agitation leaching plant* (g/t)
31 March 2023	94,518	196,595	62,006	0.74	0.49	1.30
30 June 2023	56,522	202,788	105,213	0.75	0.46	1.40

30 September 2023 31 December 2023	25,690 -	34,621 -	- -	0.83 -	0.45 -	- -
FY 2023	**176,730**	**434,004**	**167,219**	**0.76**	**0.48**	**1.40**
31 March 2024 30 June 2024	120,528 32,441	- -	- -	0.68 0.59	- -	- -
H1 2024	**152,969**	**-**	**-**	**0.66**	**-**	**-**

**** includes previously heap leached ore.***

Table 11 summarises ore processed by flotation for the year ended 31 December 2023 and six months ended 30 June 2024.

Table 11 – Ore processed by flotation for the year ended 31 December 2023 and six months ended 30 June 2024

Quarter ended	**Ore processed (tonnes)**	**Gold content (ounces)**	**Silver content (ounces)**	**Copper content (tonnes)**
31 March 2023 30 June 2023 30 September 2023 31 December 2023	192,516 190,593 62,369 -	1,487 1,033 478 -	19,787 10,380 4,358 -	1,133 1,191 363 -
FY 2023	**445,478**	**2,998**	**34,525**	**2,687**
31 March 2024 30 June 2024	- -	- -	- -	- -
H1 2024	**-**	**-**	**-**	**-**

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 12 shows the amount of previously heap leached ore processed in the year ended 31 December 2023 and the six months ended 30 June 2024.

Table 12 – Amount of previously heap leached ore processed in the year ended 31 December 2023 and six months ended 30 June 2024

	In-situ material (t)	**Average gold grade (g/t)**

1 January 2023	1,390,624	1.39
Processed in the year	(262,825)	0.72
31 December 2023	**1,127,799**	**1.55**
Processed in H1 2024	-	-
30 June 2024	**1,127,799**	**1.55**

Production and sales

For the 6 months ended 30 June 2024, gold production totalled 4,704 ounces, which was a decrease of 9,919 ounces in comparison to the production of 14,623 ounces for the 6 months ended 30 June 2023.

Table 13 summarises the gold and silver bullion produced from doré bars and sales of gold bullion for the year ended 31 December 2023 and 6 months ended 30 June 2024.

Table 13 – Gold and silver bullion produced from doré bars and sales of gold bullion for the year ended 31 December 2023 and 6 months ended 30 June 2024

Quarter ended	Gold produced* (ounces)	Silver produced* (ounces)	Gold sales** (ounces)	Gold Sales price ($/ounce)
31 March 2023	5,965	2,841	5,719	1,895
30 June 2023	7,375	3,593	4,787	1,992
30 September 2023	4,001	1,488	2,900	1,949
31 December 2023	2,975	1,610	2,416	2,004
FY 2023	**20,316**	**9,532**	**15,822**	**1,951**
31 March 2024	2,259	1,512	3,925	2,080
30 June 2024	2,433	1,532	2,075	2,350
H1 2024	**4,692**	**3,044**	**6,000**	**2,174**

Note

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

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

Table 14 summarises the total copper, gold and silver produced as concentrate by both SART and flotation processing for the year ended 31 December 2023 and 6 months ended 30 June 2024.

Table 14 – Total copper, gold and silver produced as concentrate by both SART and flotation processing for the year ended 31 December 2023 and 6 months ended 30 June 2024

	Concentrate production*	Copper content*	Gold content*	Silver content*

	(dmt)	(tonnes)	(ounces)	(ounces)
2023				
Quarter ended 31 March				
SART processing	364	191	26	8,750
Flotation	4,544	665	762	11,095
Total	**4,908**	**856**	**788**	**19,845**
Quarter ended 30 June				
SART processing	272	145	16	10,316
Flotation	5,613	869	479	8,101
Total	**5,885**	**1,014**	**495**	**18,417**
Quarter ended 30 September				
SART processing	85	43	4	2,194
Flotation	1,316	207	151	1,974
Total	**1,401**	**250**	**155**	**4,168**
Quarter ended 31 December				
SART processing	29	18	4	1,264
Flotation	-	-	-	-
Total	**29**	**18**	**4**	**1,264**
2024				
Quarter ended 31 March				
SART processing	89	54	7	4,893
Flotation	-	-	-	-
Total	**89**	**54**	**7**	**4,893**
Quarter ended 30 June				
SART processing	77	46	5	4,809
Flotation	-	-	-	-
Total	**77**	**46**	**5**	**4,809**

Note

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

Certain amounts for SART and flotation production may differ to those previously disclosed due to final reconciliation of production.

Table 15 summarises the total copper concentrate (including gold and silver) production and sales from both SART and flotation processing for the year ended 31 December 2023 and 6 months ended 30 June 2024.

Table 15 – Total copper concentrate (including gold and silver) production and sales from both SART and flotation processing for the year ended 31 December 2023 and six months ended 30 June 2024

Quarter ended	**Concentrate production* (dmt)**	**Copper content* (tonnes)**	**Gold content* (ounces)**	**Silver content* (ounces)**	**Concentrate sales** (dmt)**	**Concentrate sales** ($000)**

31 March 2023	4,908	856	788	19,845	1,147	2,743
30 June 2023	5,885	1,014	495	18,417	5,501	7,678
30 September 2023	1,401	250	155	4,168	2,358	3,066
31 December 2023	29	18	4	1,264	2,186	2,306
FY 2023	**12,223**	**2,138**	**1,442**	**43,694**	**11,192**	**15,793**
31 March 2024	89	54	7	4,893	71	295
30 June 2024	77	46	5	4,809	260	1,002
H1 2024	**166**	**100**	**12**	**9,702**	**331**	**1,297**

**** including 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 totals for the FY 2023 and H1 2024 do not therefore agree to the revenues disclosed for concentrate sales within the financial statements or financial review.***

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.

Since the second half of 2023, the Group worked 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 is 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 has been authorised which will raise the wall to its final design height of 90 metres. The raise will be carried out in two back-to-back stages, and the first raise of 2.5 metres is currently being carried out. It is expected to be completed in November 2024 with the final raise of 3.5 metres in H2 2025.

The final raise of the wall will give the dam enough capacity for the next two to three years of production.

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.

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 has also been 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 been completed, prior to suspension of development.

Development of the Zafar mine was suspended 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.

A portal has been constructed and construction of the main production tunnel has started. A second tunnel for ventilation is also being constructed. At 19 September 2024, 1,199 metres of the production tunnel and 515 metres of the ventilation tunnel had been completed. The planned length 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 has also been encountered underground which is being pumped from the mine into a settling pond constructed near the entrance to the mine.

Surface infrastructure development has comprised the construction 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. The fleet is currently being used in the development of the Gilar mine.

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 H1 2024 at Xarxar. Analysis of the drill core acquired from AzerGold CJSC continued. On 20 February 2024, a maiden JORC mineral resources estimate was published for the Xarxar deposit, which is set out in Table 6.

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.

Garadag

The 340 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 at Garadag out in H1 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 284.9 million tonnes of mineralisation containing 896.9 thousand tonnes of copper at an average grade of 0.32 per cent. This maiden JORC resource is set out in table 7 above.

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 six months ended 30 June 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 7 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 Vejnay on the instructions of the Government of Azerbaijan due to the potential danger from landmines. At 30 June 2024, staff had still not been allowed to return to Vejnaly. Accordingly, no fieldwork was carried out at the site in H1 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 H1 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 H1 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 do need replacement or refurbishment. The capacity of the plant is around 6.5 million tonnes per annum. There is also an upstream tailings dam.

The Group had restricted access to Demirli in H1 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 the Demirli Contract Area. The Group is also refurbishing the accommodation and laboratory facilities at the mine site.

Geological exploration

Summary

- Minimal drilling was carried out in H1 2024 due to the strict cost control exercised throughout the Period:

    - No surface core drilling was carried out
    - 47 reverse circulation holes drilled totalling 3,818 metres were completed at the Gedabek open pit

- One underground geotechnical drill hole was completed with a total length 138 metres in the Gilar mine together with 443 meters of channel sampling of the tunnel walls.

- Maiden JORC mineral resources estimate for Xarxar 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.

- Post Period-end, a maiden JORC mineral resources estimate of the Garadag deposit at June 2024 was published on 24 September 2024.

Gedabek

Gedabek open pit mine

47 reverse circulation drill holes were completed with a total length of 3,818 metres to further define the ore zone. The drilling was mostly located in Pits 4, 6 and 8. The results confirmed the further extension of the gold-copper mineralisation.

Gedabek underground mine

A total of 610 metres of underground development with 250 channel samples was completed in the area below Pit 4.

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 109 underground samples taken with a total length of 443 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 H1 2024. Comprehensive interpretation of the final results from the soil geochemical sampling programme continued. This 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 the 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 H1 2024.

Geological fieldwork activity was carried out at the Boyuk Gishlag mineralisation occurrence within the Gosha contract area. A total of 74 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 above. This shows the deposit contains approximately 25 million tonnes of copper ore.

Scanning of the existing Xarxar drill core was undertaken during H1 2024 using TerraCore technology. After completion of the scans, a 3-D alteration model will be 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 where a high-grade quartz gold vein has been discovered. The initial exploration phase which started in 2023 was completed in H1 2024. After interpretation, the next exploration phase will be determined.

Garadag

No geological field work was carried out at Garadag in H1 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 above.

Cayir (Ashagi Cayir)

This is a new exploration area in the Garadag Contract Area. Geochemical testing was carried out in H1 2024 with 75 soil samples and 12 rock samples collected. 676 outcrop samples were also collected. Results indicate that the area warrants further exploration.

Ordubad

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

Vejnaly

No geological fieldwork was carried out in H1 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 H1 2024. The Demirli mine geological map was digitised and digitising historic drill hole data is now in progress.

Sale of the Group's products

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

In H1 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 2 to the condensed Group interim financial statements below. The contracts with each metal trader are periodically renewed and each new contract requires the approval of the Government of Azerbaijan.

Libero Copper & Gold Corporation ("Libero")

Libero suffered from a shortage of funds in 2023 and in consequence disposed of most of its properties except for its Mocoa property. Libero will now continue to focus on the development of Mocoa.

The Company's shareholding in Libero reduced to approximately 5 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 will be held as an equity investment.

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

Principal risks and uncertainties

Country risk in Azerbaijan

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

Operational risk

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

Commodity price risk

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

Foreign currency risk

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

Liquidity and interest rate risk

The Group utilised various credit lines from several banks in Azerbaijan throughout H1 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 during H1 2024.

Russian invasion of Ukraine

The Company is unaffected directly by the Russian invasion of Ukraine or the international sanctions levied against various private and governmental Russian entities. However, the

Company is subject to global the macro-economic conditions resulting from the Russian invasion such as higher input costs.

Key performance indicators

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

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

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

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

4. **All-in sustaining cost ("AISC") per ounce**. AISC is a widely used, standardised industry metric and is a measure of how our operation compares to other producers in the industry. AISC is calculated in accordance with the World Gold Council's Guidance Note on Non-GAAP Metrics dated 27 June 2013. The AISC calculation includes a credit for the revenue generated from the sale of copper and silver, which are classified by the Group as by-products. There are no royalty costs included in the Company's AISC calculation as the Production Sharing Agreement with the Government of Azerbaijan is structured as a physical production sharing arrangement. Therefore, the Company's AISC is calculated using a cost of sales, which is the cost of producing 100 per cent. of the gold and such costs are allocated to total gold production including the Government of Azerbaijan's share.

Reza Vaziri
President and chief executive
25 September 2024

Financial review

Currency of financial review

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

Group statement of income

The Group generated revenues in the six months ended 30 June 2024 ("H1 2024") of $13.4m (H1 2023: $30.8m) from the sales of gold and silver bullion and copper and precious metal concentrate.

The revenues in H1 2024 included $12.9m (H1 2023: $20.4m) generated from the sales of gold and silver bullion from the Group's share of the production of gold doré bars. Bullion sales in H1 2024 were 6,000 ounces of gold and 4,846 ounces of silver (H1 2023: 10,506 ounces of gold and 5,480 ounces of silver) at an average price of gold of $2,174 per ounce and an average price of silver of $26 per ounce (H1 2023: $1,939 per ounce and $23 per ounce respectively). In addition, the Group generated revenue in H1 2024 of $0.5m (H1 2023: $10.4m) from the sale of 331 dry metric tonnes (H1 2023: 6,648 dry metric tonnes) of copper and precious metal concentrate. The Group's revenue benefitted in H1 2024 from both a higher average price of gold at $2,204 (H1 2023: $1,933) per ounce and a higher average price of copper at $8,998 (H1 2023: $8,661) per metric tonne during the Period.

A gold sales hedging programme was established in 2023. Monthly forward sales of gold bullion were made equivalent to approximately 25 to 30 per cent. of the Group's share of budgeted gold bullion production for the months of June to December 2023. The contracts matured at the end of each respective month and a total of 4,600 ounces of gold bullion was forward sold. The forward sales were made at prices between $1,949.75 to $1,979.25 per ounce of gold. The spot price of gold at the time of contracting the forward sales was $1,947.50 per ounce. 3,000 ounces of gold were sold in 2023 under the hedging programme for an average price of $1,969.97 per ounce. The remaining 1,600 ounces of gold were sold in March and April 2024 at an average price of $1,976.85 per ounce. The Group generated lower revenue in H1 2024 of $30,600 from the hedging programme, calculated by comparing the hedged sale price with the spot price at each date of sale.

The Group incurred cost of sales in H1 2024 of $15.0m (H1 2023: $25.2m) as follows:

	H1 2024 ($m)	**H1 2023 ($m)**	**B/(W)* ($m)**
Cash cost of sales**	**14.9**	26.3	11.4
Depreciation and amortisation	**2.2**	6.0	3.8
Cash costs, depreciation and amortisation	**17.1**	32.3	15.2
Capitalised costs	**(1.3)**	(1.8)	(0.5)
Cost of sales before inventory movement and leases	**15.8**	30.5	14.7
Lease adjustments	**(0.1)**	0.1	0.2
Inventory movement	**(0.7)**	(5.4)	(4.7)
Cost of sales per the Group statement of income	**15.0**	25.2	10.2

**B/(W) – Better or Worse*

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

The cash cost of sales are not comparable between H1 2023 and H1 2024. During H1 2023 agitation leaching and flotation processing were in operation throughout the period. In H1 2024, agitation leaching and flotation were suspended throughout the period with only heap leaching and SART processing in operation. Mining was also significantly reduced. However, employee payroll and other employment costs were approximately level at $4.3m in H1 2024 compared to $4.5m in H1 2023. All other variable costs such as reagents and materials and consumables were very significantly reduced in H1 2024 due to the reduced processing and mining activity.

Depreciation (including leased assets) decreased by $3.7m from $6.0m in H1 2023 to $2.3m in H1 2024 due to lower gold production. Accumulated mine development costs within producing mines are depreciated and amortised on a unit-of-production basis over the economically recoverable reserves of the mine concerned or by the straight line method. The unit of account for run of mine ("ROM") costs and for post-ROM costs are recoverable ounces of gold.

Administrative expenses in H1 2024 were $3.0m compared to $3.2m in H1 2023. The Group's administrative expenses comprise the cost of the administrative staff and associated costs at the Gedabek mine site, the Baku office and maintaining the Group's listing on AIM. 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 H1 2023 and H1 2024 at an exchange rate of $1 = AZN1.7. The United States dollar gradually weakened against the United Kingdom Sterling pounds in H1 2023 and H1 2024 with an average rate in H1 2024 of £1 equalling $1.27 (H1 2023: £1 equalling $1.23).

Finance costs in H1 2024 were $1.2m (H1 2023: $0.7m) and comprise interest on bank debt and letters of credit, interest on lease liabilities and interest accretion expense on the rehabilitation provision. The finance costs in H1 2024 were higher as the Group had an interest charge of $0.6m (H1 2023: $nil) in respect of bank borrowings incurred after 30 June 2023.

The Group had a taxation credit in H1 2024 of $1.4m (H1 2023: charge of $0.6m). This was a deferred tax credit of $1.4m (H1 2023: charge of $0.6m). R.V. Investment Group Services ("RVIG") in Azerbaijan generated taxable losses in H1 2024 of $3.7m (H1 2023: $8.3m). 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 $21.0m at 30 June 2024 (30 June 2023: $8.3m) and these losses will be carried forward and offset against future taxable profits. RVIG has no other taxable losses available for offset against future profits.

All-in sustaining cost of production

All-in sustaining cost ("AISC") is a widely used, standardised industry metric and is a measure of how our operation compares to other producers in the industry. AISC is calculated in accordance with the World Gold Council's Guidance Note on Non-GAAP Metrics dated 27 June 2013. The AISC calculation includes a credit for the revenue generated from the sale of copper and silver, which are classified by the Group as by-products. There are no royalty costs included in the Company's AISC calculation as the Production Sharing Agreement with the Government of Azerbaijan is structured as a physical production sharing arrangement. Therefore, the Company's AISC is calculated using a cost of sales, which is the cost of producing 100 per cent. of the gold and such costs are allocated to total gold production including the Government of Azerbaijan's share.

The Group will not report an AISC of gold produced in H1 2024. The Group's costs in H1 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 H1 2024.

Group statement of financial position

Assets

Non-current assets increased from $95.2m at 31 December 2023 to $99.0m at 30 June 2024. Intangible assets increased from $27.1m at 31 December 2023 to $27.8m at 30 June 2024 due to expenditure on geological exploration and evaluation of $0.8m partially offset by amortisation of $0.1m in respect of mining rights. Property, plant and equipment (including leased assets) at $70.2m were higher by $3.4m due to additions to fixed and leased assets of $6.0m offset by depreciation of $2.3m in the period and a reduction in the rehabilitation provision of $0.3m.

Current assets were $57.4m at 30 June 2024 compared to $59.5m at 31 December 2023. The main reason for the decrease was a decrease of cash of $2.5m partially offset by an increase in inventories of $0.8m. Inventories increased by $0.8m due to an increase in ore stockpiles of $2.6m offset by lower gold bullion inventory. There were 1,463 ounces of unsold gold and minimal unsold concentrate at 30 June 2024. The Group's cash balances at 30 June 2024 were $1.9m (31 December 2023: $4.5m) and restricted cash of $6.0m (31 December 2023: $6.0m) which is not available for use by the Company as it is security for a loan. Surplus cash is 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 30 June 2024 were $33.1m (31 December 2023: $23.4m). Trade and other payables (excluding the amount owed to the Government of Azerbaijan) increased by $4.0m. Trade creditors increased from $2.7m at 31 December 2023 to $6.8m at 30 June 2024 as a result of actions to manage working capital. Current liabilities at 30 June 2024 also include a $3.0m (31 December 2023: $nil) prepayment for the sale of concentrate received from Trafigura Pte Ltd. This advance will be repaid from sales of concentrate under the Group's existing contract with Trafigura Pte Ltd. and is expected to be fully repaid within 12 months of the balance sheet date.

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 30 June 2024 were $19.9m (31 December 2023: $20.7m). The Group borrowed from two banks in Azerbaijan during H1 2024, International Bank of Azerbaijan ("IBA") and Access Bank. The principal amounts outstanding at 30 June 2024 were $15.0m and $5.6m respectively at interest rates of between 6.0 and 6.5 per cent per annum. The loan from Access Bank was secured against a $6.0m cash deposit. The Group had three borrowings from IBA totalling $5.0m which matured in May 2024. These were consolidated into one loan of $5.0m with a maturity of May 2025. The loan from Access Bank was also extended to March 2025.

Net assets of the Group at 30 June 2024 were $80.7m (31 December 2023: $84.8m). The net assets were lower due to a decrease in retained earnings as a result of the loss in H1 2024. There were no shares issued or bought back in H1 2024.

Equity

The Group was financed entirely by equity at 1 January 2023. In 2023, the Group commenced borrowing from banks and the Group's gearing ratio at 30 June 2024 was 24.7 per cent. (31 December 2023: 24.4 per cent.). The Group's gearing ratio is calculated as gross debt as a percentage of total equity.

There were no movements of the Group's share capital, merger reserve and share premium account in FY 2023 or H1 2024. The Group's holding company did not buy back any ordinary shares in FY 2023 or H1 2024.

Libero Copper & Gold Corporation ("Libero")

The Group's shareholding in Libero remained unchanged throughout H1 2024. However, the 21,300,000 shares held at 1 January 2024 were consolidated into 2,130,000 shares following a one for ten share consolidation in February 2024. Libero completed a private placement on 15 February 2024 in which the Company did not participate. Following the private placement, the Group's interest reduced to approximately 5.9 per cent. and Libero ceased to be an associate company. The Group's share of Libero's loss from 1 January to 15 February 2024 was $46,000, which was recognised in the profit and loss account.

On 15 February 2024 (the date Libero ceased to be an associate company), Libero's carrying value was $196,000 and the market value of the Libero shares was $550,000. Accordingly, a release of the Libero impairment provision was made of $354,000 being the difference between the market value of Libero's shares and its carrying value as an associate company on 15 February 2024. The Group's interest in Libero was accordingly reclassified as an equity investment at no gain or loss.

Subsequent to 15 February 2024, the Group's interest in Libero was accounted for as a financial asset at fair value through profit and loss. The Group's holding in Libero will be valued at each balance sheet date as the market value of its shares which corresponds to the fair value. The market value of Libero's shares at 30 June 2024 was $560,000. Accordingly $10,000 has been recognised as other income being the increase in the market value of Libero's shares in the period 15 February to 30 June 2024. The investment has been classified as non-current as the directors intend to hold the investment for longer than one year from the balance sheet date.

Group statement of cash flow

Operating cash outflow before movements in working capital for H1 2024 was $2.3m (H1 2023: inflow of $8.6m). The outflow was due to the loss incurred in H1 2024.

Working capital movements in H1 2024 generated cash of $5.5m (H1 2023: absorbed $8.0m). Trade and other payables increased by $4.0m and trade debtors and other receivables decreased by $2.4m. These inflows reflect actions to manage working capital in H1 2024 and the lower sales.

There was a cash inflow from operating activities in H1 2024 of $3.2m compared to H1 2023 of $0.6m. The cash inflow resulted from the cash generated from working capital.

The Group paid corporation tax in H1 2024 of $nil (H1 2023: $nil) in Azerbaijan as RVIG was incurring taxable losses.

Expenditure on property, plant and equipment in H1 2024 was $6.3m (H1 2023: $6.6m). The main items of expenditure in H1 2024 were deferred stripping costs of $0.6m and mine development costs of $3.0m.

Exploration and evaluation expenditure incurred and capitalised in H1 2024 was $0.8m (H1 2023: $3.8m) with the majority of the expense expended on the Ordubad property. Exploration and evaluation activities were significantly reduced in H1 2024 to conserve funds.

There was a cash inflow in H1 2024 from financing activities of $1.2m (H1 2023: outflow of $0.3m). This inflow included $3.0m being an advance received from Trafigura Pte Ltd. This advance has been classified as part of the Group's financing cash flows as it is financing in nature.

Dividends

No dividend was declared in respect of the year ending 31 December 2023 and the six months ended 30 June 2024.

The Group paid a final dividend in respect of the year ended 31 December 2022 of $0.04 per share totalling $4.6m in July 2023. The Group declares its dividends in United States dollars but pays the dividends in United Kingdom pounds sterling. The dividends declared are converted into United Kingdom pounds sterling.

Production sharing agreement

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

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

Profit Production for the Gedabek Contract Area has been subject to the minimum 25 per cent. since commencement of production including both the year to 31 December 2023 and the 6 months to 30 June 2024. The Government's share of production in the six months to 30 June 2024 (as in all previous periods) was therefore 12.75 per cent. being 51 per cent. of 25 per cent. with the Group entitled to the remaining 87.25 per cent. The Group was therefore subject to an effective royalty on its revenues from the Gedabek Contract Area in the six months to 30 June 2024 of 12.75 per cent. (six months to 30 June 2023: 12.75 per cent.) of the value of its production.

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

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:

	Total unrecovered costs ($m)	
Contract area	**30 June 2024**	**31 December 2023**
Gedabek	77.2	64.2
Gosha	36.5	34.8
Ordubad	34.8	33.0
Vejnaly	2.1	1.9
Garadag*	1.4	1.2
Xarxar*	3.6	3.4
Demirli	0.1	-
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 six months ended 30 June 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.

Going concern

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. When processing operations are fully operational, production is cash generative at current and forecast metal prices. Historically, the Group funded all its operational costs (including Azerbaijan and London overheads) from cash generated from the sale of precious metal and copper concentrates produced at Gedabek.

The Group has historically mined ore from its main open pit and the Gadir and Gedabek undergound mines. These mines are all approaching the end of their lives. To replace the ore from these mines, the Group has a pipeline of several mines and mineral resource properties in various stages of development. The Group has two new mines under development, Zafar and Gilar. The Zafar mine development is currently on hold but the building of the Gilar mine is almost complete with the first ore expected to be mined in December 2024. The Gilar mine contains sufficient ore for the Group's current processing facilities to operate at substantially full capacity for approximately the next four years. Any shortages of ore from Gilar to keep the production facilities operating at full capacity during the next four years will be met by mining additional ore from the Group's existing mines.

Material uncertainties over going concern in financial statements for the year ended 31 December 2023

The Group published its audited financial statements for the year ended 31 December 2023 ("2023 Final Results") on 15 May 2024. The Group reported in its 2023 Final Results the following material uncertainties regarding its going concern:

1. Whether the Group will receive permission from the Government of Azerbaijan (the "Government") to raise the wall of the tailings dam.
2. Once permission is received, whether the Group will close the loan of $10 million from the International Bank of Azerbaijan ("IBA") which remains subject to their approval, and the further loans forecast to be taken with IBA in the going concern period, for which discussion have not yet commenced, ($3 million in the base case and $7 million in the Sensitivity Case) from IBA.

On 5 August 2024, the Group received authorisation from the Government to raise the wall of the tailings dam.

The Group had three bank loans from IBA totalling $5 million which matured in May 2024. These loans were consolidated into one bank loan of $5 million which was renewed at 6 per cent. interest for one year until May 2025. The Group also renewed a $5.65 million loan with Access Bank which was repayable in May 2024. The loan was extended for another year with a final repayment in May 2025. Discussions are currently ongoing with IBA regarding a further $10 million loan.

Suspension of agitation leaching and flotation processing in 2023 and restart in 2024

The Group suspended agitation leaching and flotation processing from the beginning of August 2023 whilst an environmental audit of its Gedabek site was carried out. The results of the environmental audit were satisfactory and on 26 September 2023 the Government gave permission to the Group to fully restart operations and did not impose any fines or other penalties on the Group. The Group also agreed an action plan with the Government to improve some operational, social and safety aspects of the Gedabek operations. This action plan has been substantially completed.

At the time of suspension of operations in August 2023, the Group's tailing dam only had sufficient capacity for up to three months production from agitation leaching and flotation. One recommendation arising from the environmental audit was that Government permission was required for any further raises of the wall of the Group's tailings dam. The Group therefore decided not to restart production from agitation leaching and flotation until the Government permission to raise the tailings dam wall was obtained. To commence production and then stop within a three-month period is not operationally desirable. The Group obtained Government permission to raise its tailings dam on 5 August 2024 and work on the first raise of 2.5 metres began immediately. The work is expected to be completed in November 2024. The Company continued to produce gold doré and copper concentrate throughout 2023 and H1 2024 using heap leaching and SART as these processes do not produce tailings.

The Company expects the agitation leaching plant production will restart by the end of September 2024, initially processing 97,000 tonnes of stockpiled ore. The flotation plant will restart in November on an independent basis using fresh ore from the existing open pit.

The Company expects the first ore to be mined from Gilar in December 2024. To treat Gilar ore, processing will be reconfigured and the agitation leaching plant will initially process Gilar ore with further processing of its tailings by flotation to produce copper.

Financial condition and credit facilities available to the Group

The Group had cash reserves of $7.9 million (including $6.0 million restricted cash) and debt of $19.9 million at 30 June 2024. The current cost of maintaining the Group's operations, including mining, Gilar development, heap leaching, SART processing and administrative overheads in Azerbaijan and London, is estimated at $3.5 million to $4.0 million per month.

The Group is currently generating revenue of approximately $2.0 million per month from precious metal and concentrate sales.

The Group has in place an AZN 55 million ($32.3 million) General credit agreement ("GCA") with the International Bank of Azerbaijan ("IBA"). The Group has borrowed $15.0 million under this facility to date, of which $10.0 million is repayable in instalments between May 2024 to 2026, and $5.0 million is now repayable in May 2025. The Group is currently discussing a further $10.0 million loan under the GCA.

The Group agreed in May 2024 a vendor refinancing of part of the purchase price of its Caterpillar mining fleet of $3.7 million and the proceeds of $3.7 million were received on 26 August 2024. In June 2024, the Group entered into a prepayment agreement totalling $5.0 million in respect of its sales of copper concentrate with Trafigura Pte Ltd. $3.0 million was drawn down under that facility in June 2024.

12 Month cash flow forecast to 30 September 2025

The directors have prepared a base case cash flow forecast that assumes production is consistent with the business plan. The business plan includes the following major assumptions:

- The first raise of the tailings dam of 2.5 metres will be completed in November 2024 and the second raise of 3.5 metres will be completed in H2 2025.
- Agitation leaching processing will commence by the end of September 2024 and flotation processing in November 2024
- The Gilar mine will commence production in December 2024
- IBA loan of $10 million will be received by the end of November 2024.

The base cash flow uses gold prices of $2,400 to $2,450 per ounce and a copper price of $9,000 per tonne. The base cash flow forecast shows that the Group will generate free cash flow from January 2025, upon resuming full production using Gilar ore, and is able to finance its operations till the end of the going concern period being 30 September 2025.

Going concern opinion

The directors have prepared the condensed Group interim financial statements on a going concern basis after reviewing the Group's forecast cash position for the period to 30 September 2025 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.

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

William Morgan
Chief financial officer
25 September 2024

Anglo Asian Mining plc
Condensed group statement of income
Six months ended 30 June 2024

Continuing operations	Notes	**6 months to 30 June 2024 (unaudited) $000**	6 months to 30 June 2023 (unaudited) $000
Revenue	2	**13,372**	30,785
Cost of sales		**(15,022)**	(25,214)
Gross (loss) / profit		**(1,650)**	5,571
Other operating income		**10**	119
Administrative expenses		**(2,995)**	(3,171)
Other operating expenses		**(97)**	(343)
Operating (loss) / profit		**(4,732)**	2,176
Finance costs		**(1,237)**	(731)
Finance income		**138**	127
Other income	9	**10**	-
Share of loss of an associate company	3	**(46)**	(213)
Reversal of impairment of an associate company	3	**354**	-
(Loss) / profit before tax		**(5,513)**	1,359
Income tax benefit / (expense)	4	**1,426**	(546)
(Loss) / profit attributable to the equity holders of the parent		**(4,087)**	813
(Loss) / profit per share attributable to the equity holders of the parent		**(4,087)**	813
Basic (US cents per share)	5	**(3.57)**	0.71
Diluted (US cents per share)	5	**(3.57)**	0.71

Anglo Asian Mining plc
Condensed group statement of comprehensive income
Six months ended 30 June 2024

	6 months to 30 June 2024 (unaudited) $000	6 months to 30 June 2023 (unaudited) $000
(Loss) / profit for the period	**(4,087)**	813
Other comprehensive (loss) / income		
Other comprehensive (loss) / income that may be reclassified to profit or loss in subsequent periods:*		

Exchange differences on translation of foreign associate company	**-**	132
Share of comprehensive (loss) of an associate company	-	(6)
Net other comprehensive profit that may be reclassified to profit or loss in subsequent periods	**-**	126
Total comprehensive (loss) / income for the period, net of tax*	**(4,087)**	939

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

Anglo Asian Mining plc
Condensed group statement of financial position
30 June 2024

	Notes	**30 June 2024 (unaudited) $000**	30 June 2023 (unaudited) $000	31 December 2023 (audited) $000
Non-current assets				
Intangible assets	6	**27,764**	42,492	27,126
Property, plant and equipment	7	**68,454**	56,140	64,775
Leased assets	8	**1,738**	2,171	2,053
Investment in an associate company	3	**-**	5,731	242
Non-current financial assets	9	**560**	39	-
Non-current trade and other receivables	10	**440**	-	975
		98,956	106,573	95,171
Current assets				
Inventory	11	**41,178**	48,493	40,342
Trade and other receivables	10	**8,314**	15,640	8,654
Restricted cash	12	**6,000**	-	6,000
Cash and cash equivalents	12	**1,946**	9,556	4,477
		57,438	73,689	59,473
Total assets		**156,394**	180,262	154,644
Current liabilities				
Trade and other payables	13	**(14,734)**	(15,673)	(9,200)
Interest-bearing loans and borrowings	14	**(15,127)**	-	(13,629)
Advances	15	**(3,000)**	-	-
Lease liabilities	8	**(263)**	(449)	(555)
		(33,124)	(16,122)	(23,384)
Net current assets		**24,314**	57,567	36,089
Non-current liabilities				
Trade and other payables	13	**(3,254)**	(3,009)	(4,219)
Provision for rehabilitation		**(13,715)**	(16,006)	(12,948)
Interest-bearing loans and borrowings	14	**(4,803)**	-	(7,105)
Lease liabilities	8	**(1,934)**	(2,059)	(1,916)
Deferred tax liability	4	**(18,838)**	(28,538)	(20,264)
		(42,544)	(49,612)	(46,452)
Total liabilities		**(75,668)**	(65,734)	(69,836)
Net assets		**80,726**	114,528	84,808
Equity				
Share capital	16	**2,016**	2,016	2,016
Share premium	17	**33**	33	33

Treasury shares	**(145)**	(145)	(145)
Share-based payment reserve	**576**	506	571
Merger reserve	**46,206**	46,206	46,206
Foreign currency translation reserve	**(233)**	(101)	(233)
Retained earnings	**32,273**	66,013	36,360
Total equity	**80,726**	114,528	84,808

Anglo Asian Mining plc
Condensed group statement of cash flows
Six months ended 30 June 2024

	Notes	**6 months to 30 June 2024 (unaudited) $000**	6 months to 30 June 2023 (unaudited) $000
Cash flows from operating activities			
(Loss) / profit before tax		**(5,513)**	1,359
Adjustments to reconcile (loss) / profit before tax to net cash flows:			
Finance costs	14	**1,237**	731
Finance income		**(138)**	(127)
Unrealised profit on financial instruments	9	**(10)**	-
Gain on the modification of lease liabilities	8	**(2)**	(28)
Depreciation of owned assets	7	**1,922**	5,689
Depreciation of leased assets	8	**330**	229
Share based payment		**5**	82
Share of loss of an associate company	3	**46**	214
Reversal of impairment of an associate company	3	**(354)**	-
Amortisation of mining rights and other intangible assets	6	**121**	399
Foreign exchange loss		**20**	88
Operating cash (outflow) / inflow before movements in working capital		**(2,336)**	8,636
Decrease / (increase) in trade and other receivables	10	**2,394**	(515)
Increase in inventories	11	**(837)**	(8,291)
Increase in trade and other payables	13	**3,989**	852
Cash generated from operations		**3,210**	682
Income taxes paid		**-**	(46)
Net cash generated by operating activities		**3,210**	636
Cash flows from investing activities			
Expenditure on property, plant and equipment and mine development		**(6,347)**	(6,623)
Investment in exploration and evaluation activities		**(760)**	(3,784)
Further investment in an associated company	3	**-**	(646)
Interest received		**163**	-
Net cash used in investing activities		**(6,944)**	(11,053)
Cash flows from financing activities			
Proceeds from borrowing	14	**2,000**	-
Repayment of borrowings	14	**(2,720)**	-
Advance received	15	**3,000**	-
Interest paid - loans	14	**(641)**	-

Interest paid - lease liabilities	8	**(129)**	(140)
Repayment of lease liabilities	8	**(287)**	(209)
Net cash used in financing activities		**1,223**	(349)
Net decrease in cash and cash equivalents		**(2,511)**	(10,766)
Net foreign exchange difference		**(20)**	(88)
Cash and cash equivalents at beginning of period	12	**4,477**	20,410
Cash and cash equivalents at end of the period	12	**1,946**	9,556

Anglo Asian Mining plc
Condensed group statement of changes in equity

Six months ended 30 June 2024
(unaudited)

	Share capital $000	Share premium $000	Treasury shares $000	Share-based payment reserve	Merger reserve $000	Foreign currency translation reserve $000	Retained earnings $000	Total equity $000
1 January 2024	2,016	33	(145)	571	46,206	(233)	36,360	84,808
Loss for the period	-	-	-	-	-	-	**(4,087)**	**(4,087)**
Other comprehensive income / (loss) for the period	-	-	-	-	-	-	**-**	**-**
Total comprehensive (loss) for the period	**-**	**-**	**-**	**-**	**-**	**-**	**(4,087)**	**(4,087)**
Share based payment	**-**	**-**	**-**	**5**	**-**	**-**	**-**	**5**
30 June 2024	**2,016**	**33**	**(145)**	**576**	**46,206**	**(233)**	**32,273**	**80,726**

Six months ended 30 June 2023
(unaudited)

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

Year ended 31 December 2023
(audited)

	Notes	Share capital $000	Share premium $000	Treasury shares	Share-based payment reserve	Merger reserve $000	Foreign currency translation reserve	Retained earnings $000	Total equity $000

				$000	$000		$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	18	-	-	-	-	-	-	(4,603)	(4,603)
Share-based payment		-	-	-	147	-	-	-	147
31 December 2023		2,016	33	(145)	571	46,206	(233)	36,360	84,808

Anglo Asian Mining plc
Notes to the condensed Group interim financial statements
Six months ended 30 June 2024

1 General information

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

Basis of preparation

The condensed Group interim financial statements for the six-month period ending 30 June 2024 have been prepared in accordance with IAS 34 'Interim Financial Reporting' as issued by the International Accounting Standards Board and IAS 34 as adopted for use in the United Kingdom. The information for the half year ended 30 June 2024 does not constitute statutory accounts as defined in section 435 of the Companies Act 2006. A copy of the statutory accounts for the year ended 31 December 2023 has been delivered to the Registrar of Companies. The auditor's report on those accounts was not qualified and did not contain a statement under sections 498(2) or 498(3) of the Companies Act 2006. The auditor's report on those accounts contained a statement of "Material uncertainties relating to going concern" but their opinion was not modified in respect of the matter. The condensed Group interim financial statements have not been audited.

The condensed Group interim financial statements have been prepared under the historical cost convention except for the treatment of share-based payments, certain trade receivables at fair value, derivatives not designated as hedging instruments and financial assets at fair value through profit and loss. The condensed Group interim financial statements are presented in United States dollars ("$") and all values are rounded to the nearest thousand except where otherwise stated. In the condensed Group interim financial statements "£" and "pence" are references to the United Kingdom pound sterling, "CAN$" and "CAN cents" are references to Canadian dollars and cents and "AZN" is a reference to the Azerbaijan New Manat.

Accounting policies and new standards, interpretations and amendments

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

The accounting policies adopted in the preparation of the half-yearly condensed Group interim financial statements for 2024 are consistent with those followed in the preparation of the Group's annual report and accounts for 2023, except for the adoption of new standards that became effective from 1 January 2024. The Group has not adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments and interpretations apply for the first time in 2024, but do not have an impact on the condensed Group interim financial statements.

Going concern

Main business of the Group
The Group produces primarily gold and copper at its Gedabek mining concession in 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. When processing operations are fully operational, production is cash generative at current and forecast metal prices. Historically, the Group funded all its operational costs (including Azerbaijan and London overheads) from cash generated from the sale of precious metal and copper concentrates produced at Gedabek.

The Group has historically mined ore from its main open pit and the Gadir and Gedabek undergound mines. These mines are all approaching the end of their lives. To replace the ore from these mines, the Group has a pipeline of several mines and mineral resource properties in various stages of development. The Group has two new mines under development, Zafar and Gilar. The Zafar mine development is currently on hold but the building of the Gilar mine is almost complete with the first ore expected to be mined in December 2024. The Gilar mine contains sufficient ore for the Group's current processing facilities to operate at substantially full capacity for approximately the next four years. Any shortages of ore from Gilar to keep the production facilities operating at full capacity during the next four years will be met by mining additional ore from the Group's existing mines.

Material uncertainties over going concern in financial statements for the year ended 31 December 2023
The Group published its audited financial statements for the year ended 31 December 2023 ("2023 Final Results") on 15 May 2024. The Group reported in its 2023 Final Results the following material uncertainties regarding its going concern:

1. Whether the Group will receive permission from the Government of Azerbaijan (the "Government") to raise the wall of the tailings dam.
2. Once permission is received, whether the Group will close the loan of $10 million from the International Bank of Azerbaijan ("IBA") which remains subject to their approval, and the further loans forecast to be taken with IBA in the going concern period, for which discussion have not yet commenced, ($3 million in the base case and $7 million in the Sensitivity Case) from IBA.

On 5 August 2024, the Group received authorisation from the Government to raise the wall of the tailings dam.

The Group had three bank loans from IBA totalling $5 million which matured in May 2024. These loans were consolidated into one bank loan of $5 million which was renewed at 6 per cent. interest for one year until May 2025. The Group also renewed a $5.65 million loan with Access Bank which was repayable in May 2024. The loan was extended for another year with a final repayment in May 2025. Discussions are currently ongoing with IBA regarding a further $10 million loan.

Suspension of agitation leaching and flotation processing in 2023 and restart in 2024
The Group suspended agitation leaching and flotation processing from the beginning of August 2023 whilst an environmental audit of its Gedabek site was carried out. The results of the environmental audit were satisfactory and on 26 September 2023 the Government gave permission to the Group to fully restart operations and did not impose any fines or other penalties on the Group. The Group also agreed an action plan with the Government to improve some operational, social and safety aspects of the Gedabek operations. This action plan has been substantially completed.

At the time of suspension of operations in August 2023, the Group's tailing dam only had sufficient capacity for up to three months production from agitation leaching and flotation. One recommendation arising from the environmental audit was that Government permission was required for any further raises of the wall of the Group's tailings dam. The Group therefore decided not to restart production from agitation leaching and flotation until the Government permission to raise the tailings dam wall was obtained. To commence production and then stop within a three-month period is not operationally desirable. The Group obtained Government permission to raise its tailings dam on 5 August 2024 and work on the first raise of 2.5 metres began immediately. The work is expected to be completed in November 2024. The Company continued to produce gold doré and copper concentrate throughout 2023 and H1 2024 using heap leaching and SART as these processes do not produce tailings.

The Company expects the agitation leaching plant production will restart by the end of September 2024, initially processing 97,000 tonnes of stockpiled ore. The flotation plant will restart in November on an independent basis using fresh ore from the existing open pit.

The Company expects the first ore to be mined from Gilar in December 2024. To treat Gilar ore, processing will be reconfigured and the agitation leaching plant will initially process Gilar ore with further processing of its tailings by flotation to produce copper.

Financial condition and credit facilities available to the Group
The Group had cash reserves of $7.9 million (including $6.0 million restricted cash) and debt of $19.9 million at 30 June 2024. The current cost of maintaining the Group's operations, including mining, Gilar development, heap leaching, SART processing and administrative overheads in Azerbaijan and London, is estimated at $3.5 million to $4.0 million per month. The Group is currently generating revenue of approximately $2.0 million per month from precious metal and concentrate sales.

The Group has in place an AZN 55 million ($32.3 million) General credit agreement ("GCA") with the International Bank of Azerbaijan ("IBA"). The Group has borrowed $15.0 million under this facility to date, of which $10.0 million is repayable in instalments between May 2024 to 2026, and $5.0 million is now repayable in May 2025. The Group is currently discussing a further $10.0 million loan under the GCA.

The Group agreed in May 2024 a vendor refinancing of part of the purchase price of its Caterpillar mining fleet of $3.7 million and the proceeds of $3.7 million were received on 26 August 2024. In June 2024, the Group entered into a prepayment agreement totalling $5.0 million in respect of its sales of copper concentrate with Trafigura Pte Ltd. $3.0 million was drawn down under that facility in June 2024.

12 Month cash flow forecast to 30 September 2025
The directors have prepared a base case cash flow forecast that assumes production is consistent with the business plan. The business plan includes the following major assumptions:

- The first raise of the tailings dam of 2.5 metres will be completed in November 2024 and the second raise of 3.5 metres will be completed in H2 2025.
- Agitation leaching processing will commence by the end of September 2024 and flotation processing in November 2024
- The Gilar mine will commence production in December 2024
- IBA loan of $10 million will be received by the end of November 2024.

The base cash flow uses gold prices of $2,400 to $2,450 per ounce and a copper price of $9,000 per tonne. The base cash flow forecast shows that the Group will generate free cash flow from January 2025, upon resuming full production using Gilar ore, and is able to finance its operations till the end of the going concern period being 30 September 2025.

Going concern opinion
The directors have prepared the condensed Group interim financial statements on a going concern basis after reviewing the Group's forecast cash position for the period to 30 September 2025 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.

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

2 Operating segments

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

Sales of gold within doré and gold and silver bullion in 2023 and 2024 were made to the Group's gold refiners, MKS Finance SA which is based in Switzerland.

The gold and copper concentrate was sold in 2023 to Industrial Minerals SA, Trafigura PTE Ltd and Metal-Kim Metalurji Ve Kimya Tarim Sanayi Tic Ltd Sti. The copper concentrate was sold to Trafigura PTE Ltd in H1 2024.

3 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 Company did not participate in the private placement and its interest in Libero reduced to approximately 5.9 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 six months ended 30 June 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 will be accounted for as a financial asset. The Group's holding in Libero from 15 February 2024 will be 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 30 June 2024 Libero was classified in the Group's balance sheet as a financial asset (note 9 – "Other 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 unaudited financial statements for the six months ended 30 June 2023 dated 24 August 2023, 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 30 June 2023 and 31 December 2023

	30 June 2023 (unaudited) $000	31 December 2023 (audited) $000

Current assets	436	696
Non-current assets	2,940	1,323
Current liabilities	(1,128)	(1,486)
Non-current liabilities	(143)	(142)
Equity	2,105	391

Reconciliation to carrying value in the Group balance sheet

Equity of Libero	2,105	391
Share based payment expense	(972)	(977)
Exploration expense	8,299	9,052
Equity recognised by the Group	9,432	8,466
Group's share in equity – 19.3% and 13.11%	1,819	1,110
Goodwill	3,912	4,167
Impairment provision	-	(5,035)
Group carrying value of associate company	5,731	242

Profit and loss account of Libero for the 6 months to 30 June 2023 and from 1 January to 15 February 2024

	1 January to 15 February 2024 (unaudited)* $000	6 months to 30 June 2023 (unaudited) $000
Expenses	513	2,618
Other expenses	63	75
Loss before taxation	576	2,693
Taxation	-	(10)
Loss for the period	576	2,683

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

Loss for the period	576	2,683
Exploration expense	(236)	(1,596)
Loss for the period as an associate company	340	1,087
Group's share of the loss at 13.1 and 19.7 per cent.	46	213

*estimated by time apportionment from the unaudited financial statements of Libero for the 3 months ended 31 March 2024.

Reconciliation of the movement in associate company for the year ended 31 December 2023 and the 6 months to 30 June 2024

	$000
1 January 2023	5,172
Additions	646
Share of loss of the associated company	(541)
Impairment provision	(5,035)
31 December 2023	242
Share of loss of the associated company	(46)
Reversal of impairment provision	354
Transfer to other financial assets	(550)
30 June 2024	**-**

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

4 Income tax

The income taxation charge for the 6 months ended 30 June 2024 represents a current income tax charge of $nil (2023: $nil) and a deferred taxation credit of $1.4 million (2023: charge of $0.6 million). These current and deferred taxation charges and credits are in respect of the representative office registered in Azerbaijan of RV Investment Group Services LLC ("RVIG") (a wholly owned subsidiary of the Company).

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

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

At 30 June 2024, RVIG had unused taxation losses available for offset against future profits of $21.0 million (30 June 2023: $8.3 million and 31 December 2023: $17.3 million) and a deferred taxation asset of $6.7 million (30 June 2023: $2.7 million and 31 December 2023: $5.5 million) has been offset against deferred taxation liabilities in the Group balance sheet. The Group also has unused taxation losses within the Company and a subsidiary (Anglo Asian Operations Limited) available for offset against future profits. No deferred taxation asset has been recognised in respect of such losses due to the unpredictability of future profit streams. Unused taxation losses may be carried forward indefinitely.

5 (Loss) / profit per ordinary share

(Loss) / profit per ordinary share	**6 months to 30 June 2024 (unaudited) $000**	6 months to 30 June 2023 (unaudited) $000
(Loss) / profit after tax for the period	**(4,087)**	**813**
Basic (loss) / profit per share (US cents)	**(3.57)**	**0.71**
Diluted (loss) / profit per share (US cents)	**(3.57)**	**0.71**

Weighted average number of shares	**Number**	**Number**
For basic earnings per share	**114,335,175**	114,392,024
For diluted earnings per share	**114,335,175**	114,392,024

6 Intangible assets

	Exploration and evaluation							**Other**	
	Gedabek (unaudited) $000	**Gosha (unaudited) $000**	**Ordubad (unaudited) $000**	**Vejnaly (unaudited) $000**	**Xarxar (unaudited) $000**	**Garadag (unaudited) $000**	**Mining rights (unaudited) $000**	**Intangible assets (unaudited) $000**	**Total (unaudited) $000**
Cost									
I 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	-	84	437	148	40	50	-	-	759
30 June 2024	**19,339**	**3,051**	**7,170**	**1,626**	**3,554**	**2,884**	**41,925**	**726**	**80,275**
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 period	-	-	-	-	-	-	121	-	121
30 June 2024	5,086	2,967	4,978	-	-	-	38,936	542	52,511
Net book value									
31 December 2023	14,253	-	1,755	1,478	3,514	2,834	3,110	182	27,126
30 June 2024	14,253	84	2,192	1,626	3,554	2,884	2,989	182	27,764

7 Property, plant and equipment

	Plant and equipment and motor vehicles (unaudited) $000	Producing mines (unaudited) $000	Assets under construction (unaudited) $000	Total (unaudited) $000
Cost				
1 January 2023	28,590	236,330	2,181	267,101
Additions	7,700	4,637	10,117	22,454
Change in provision for rehabilitation	-	3,662	-	3,662
31 December 2023	36,290	236,950	12,298	285,538
Additions	668	2,257	3,019	5,944
Change in provision for rehabilitation	-	(343)	-	(343)
30 June 2024	**36,958**	**238,864**	**15,317**	**291,139**
Depreciation and impairment				
1 January 2023	24,195	186,861	-	211,056
Charge for year	1,142	8,565	-	9,707
31 December 2023	25,337	195,426	-	220,763
Charge for period	1,636	286	-	1,922
30 June 2024	**26,973**	**195,712**	**-**	**222,685**
Net book value				
31 December 2023	10,953	41,524	12,298	64,775
30 June 2024	**9,985**	**43,152**	**15,317**	**68,454**

8 Leases

Right of use assets

	Plant and equipment and motor vehicles (unaudited) $000	Producing mines (unaudited) $000	Total (unaudited) $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	31	-	31
Lease modifications	(24)	-	(24)
30 June 2024	**3,170**	**1,153**	**4,323**
Depreciation and impairment			
1 January 2023	1,345	519	1,864
Charge for year	401	165	566
Lease modifications	(167)	-	(167)
31 December 2023	1,579	684	2,263
Charge for period	242	88	330
Lease modifications	(8)	-	(8)
30 June 2024	**1,813**	**772**	**2,585**
Net book value			
31 December 2023	1,584	469	2,053
30 June 2024	**1,357**	**381**	**1,738**

Lease liabilities

	Total $000
1 January 2023	2,708
Additions	682
Lease modifications	(497)
Interest expense	275
Repayment	(697)
31 December 2023	**2,471**
Addition	**31**
Lease modifications	**(18)**
Interest expense	**129**
Repayment	**(416)**
30 June 2024	**2,197**

	30 June 2024 (unaudited) $000	30 June 2023 (unaudited) $000	31 December 2023 (audited) $000
Current liabilities	**263**	449	555
Non-current liabilities	**1,934**	2,059	1,916
Total lease liabilities	**2,197**	2,508	2,471

Amount recognised in the profit and loss account

	6 months to 30 June 2024 (unaudited) $000	6 months to 30 June 2023 (unaudited) $000
Depreciation expense of right to use assets	**330**	229
Interest expense	**129**	140
Expense relating to short leases	**29**	129
Gain on lease modifications	**(2)**	(28)
	486	470

9 Other financial assets

Non - current	**30 June 2024 (unaudited) $000**	30 June 2023 (unaudited) $000	31 December 2023 (audited) $000

Derivatives not designated as hedging instruments			
Share warrants	**-**	39	-
Financial assets at fair value through profit or loss			
Listed equity investments	**560**	-	-
	560	39	-

Share warrants

The Group has acquired share warrants in Libero Copper & Gold Corporation ("Libero") which were attached to certain of its subscriptions for ordinary shares. Details of these warrants are as follows:

Date of issue	Number of warrants	Exercise price (CAN cents)	Length of warrant	Last day of exercise
22 December 2021	2,800,000	75	24 months	21 December 2023
26 January 2022	3,500,000	75	24 months	25 January 2024
6 January 2023	2,600,000	22	24 months	5 January 2025
17 February 2023	3,200,000	22	24 months	16 February 2025

None of the share warrants in Libero had been exercised at the date of the signing the financial statements. The 2,800,000 warrants issued on 22 December 2021 at 75 CAN cents per warrant expired in the year ended 31 December 2023. The 3,500,000 warrants issued on 26 December 2022 at 75 CAN cents per warrant expired in the 6 months ended 30 June 2024.

The share warrants outstanding at 30 June 2023 were valued using a risk-neutral binomial tree. Quantitative information about the fair value measurement of the warrants using significant directly or indirectly observable inputs was as follows:

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

No value has been ascribed to the share warrants outstanding at 30 December 2023 or 30 June 2024.

Listed equity investments

At 30 June 2024, these were 2,130,000 shares in Libero, a company which is listed on the Toronto Ventures Stock Exchange in Canada. At 31 December 2023, Libero was classified as an associate company. During the six months ended 30 June 2024, the Group's interest was diluted and Libero was reclassified as a financial asset at fair value through profit and loss (note 3 – Investment in an associate company).

Libero was transferred to financial asset at fair value through profit and loss at a value of $550,000, the market value of the shares on the day of transfer. The value of the shares at 30 June 2024 was $560,000 and the unrealised profit of $10,000 was credited to profit and loss account as other income.

10 Trade and other receivables

Other receivables

Non-current	**30 June 2024 (unaudited) $000**	30 June 2023 (unaudited) $000	31 December 2023 (audited) $000
Advances for purchases	**195**	-	195
Prepayments and advances	**245**	-	780

	440	-	975

Trade and other receivables

Current	**30 June 2024 (unaudited) $000**	30 June 2023 (unaudited) $000	31 December 2023 (audited) $000
Gold held due to the Government of Azerbaijan	**3,531**	3,045	1,988
VAT refund due	**1,748**	792	1,609
Loan to employee*	**511**	520	-
Other tax receivable	**157**	1,713	734
Trade receivables – fair value**	**82**	3,569	637
Prepayments and advances	**2,285**	6,001	3,686
	8,314	15,640	8,654

**See note 20 – "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 are exposed to future commodity price movements over the quotational period ("QP") and, hence, fail the 'solely payments of principal and interest' test and are measured at fair value up until the date of settlement. These trade receivables are initially measured at the amount which the Group expects to be entitled, being the estimate of the price expected to be received at the end of the QP. Approximately 90 per cent. of the provisional invoice (based on the provisional price) is received in cash within one to two weeks from when the concentrate is collected from site, which reduces the initial receivable recognised under IFRS 15. The QPs can range between one and four months post shipment and final payment is due between 30-90 days from the end of the QP.

The Group does not consider any trade or other receivables as past due or impaired. All receivables at amortised cost have been received shortly after the balance sheet date and therefore the Group does not consider that there is any credit risk exposure. No provision for any expected credit loss has therefore been established at 30 June 2023 and 2024 and 31 December 2023

The VAT refund due at 30 June 2024 and 2023 and 31 December 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 shown in note 13.

11 Inventory

	30 June 2024 (unaudited) $000	30 June 2023 (unaudited) $000	31 December 2023 (audited) $000
Cost			
Finished goods - bullion	**2,974**	4,834	5,922
Finished goods - metal in concentrate	**6**	4,701	53
Metal in circuit	**11,457**	10,726	10,350
Ore stockpiles	**8,311**	8,813	5,745
Spare parts and consumables	**18,430**	19,419	18,272
Total current inventories	**41,178**	48,493	40,342
Total inventories at the lower of cost and net realisable value	**41,178**	48,493	40,342

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

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

12 Restricted cash and 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 14 – "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 and cash equivalents are mostly held in United States Dollars.

13 Trade and other payables

Current	**30 June 2024 (unaudited) $000**	30 June 2023 (unaudited) $000	31 December 2023 (audited) $000
Accruals and other payables	**3,705**	5,736	3,610
Trade creditors	**6,836**	4,992	2,721
Gold held due to the Government of Azerbaijan	**3,531**	3,045	1,988
Payable to the Government of Azerbaijan from copper concentrate joint sale	**662**	1,900	881
	14,734	15,673	9,200

Non-current	**30 June 2024 (unaudited) $000**	30 June 2023 (unaudited) $000	31 December 2023 (audited) $000
Geological data	**3,254**	3,009	3,129
Other payables	**-**	-	1,090
	3,254	3,009	4,219

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

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

In the year ended 31 December 2022, the Group contracted with AzerGold CJSC to pay $4.0 million (plus VAT) 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 long-term creditor has been discounted at a rate of 8 per cent. being the risk-free rate. The repayment dates of the creditor are the directors' best estimation of when repayment will occur. The undiscounted amount of the creditor at 30 June 2024, 30 June 2023 and 31 December 2023 is $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 30 June 2024 and 31 December 2023 has been classified as a non-current liability.

14 Interest-bearing loans and borrowings

	Interest rate (per cent.)	Final maturity date	**30 June 2024 (unaudited) $000**	30 June 2023 (unaudited) $000	31 December 2023 (audited) $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
$5,650,000 bank loan	0.5 per month	March 2025	**5,650**	-	5,678
$10,000,000 bank loan	6.5 per annum	May 2026	**9,280**	-	10,045
$5,000,000 bank loan	6.0 per annum	May 2025	**5,000**	-	-
			19,930	-	20,734

Loans repayable in less than one year	**15,127**	-	13,629
Loans repayable in more than one year	**4,803**	-	7,105
	19,930	-	20,734

The directors consider that the carrying amount of interest-bearing loans and borrowings approximates to their fair value.

$5,650,000 bank loan

The loan is secured against a $6 million deposit maintained with the lender. The principal is repayable in 5 instalments of approximately $1.1 million each in the five months November 2024 to March 2025. The $6 million deposit has been disclosed as restricted cash in the Group balance sheet at 30 June 2024 and 31 December 2023.

$10,000,000 bank loan

The loan is unsecured. The borrowing commenced on 6 November 2023. The loan has a 6-month capital repayment grace period during which only interest of $54,167 per month is payable. From May 2024 till May 2026, 25 equal monthly repayments of principal and interest totalling $413,306 will be made to repay the principal on a monthly reducing balance basis. A final repayment of principal and interest of $413,306 will also be made in May 2026.

$5,000,000 bank loan

The loan is unsecured and repayable in full on 11 May 2025.

15 Advances

	30 June 2024 (unaudited) $000	30 June 2023 (unaudited) $000	31 December 2023 (audited) $000
Prepayment for the sale of concentrate	**3,000**	-	-

The Group has entered into a prepayment agreement in regard of sales of copper concentrate to Trafigura Pte Ltd ("Trafigura"), the Group’s main offtaker of copper concentrates. Under the agreement, Trafigura has made an advance payment to the Group totalling $3 million for the purchase of copper concentrate. The advance payment will be settled by the delivery of copper concentrate to Trafigura under the Group’s existing contract. The existing contract sets the sales price of the copper within the concentrate by reference to the market price of copper at the date of sale. The volume of concentrate deliveries to settle the advance will therefore depend, inter alia, on the future market price of copper. The prepayment is secured against certain fixed and mobile assets of the Group at Gedabek including crushing and milling equipment and a crane.

The agreement has also granted Trafigura the exclusive right to purchase 50 per cent. of the first year of future production from the Demirli mine. The directors believe that the timing and amount, if any, of concentrate sales from Demirli is uncertain. The Demirli project is a brownfield project which is in the early stages of evaluation by the Group. In light of this uncertainty, the directors believe that no value can be assigned to the exclusive right granted to Trafigura under the contract.

The Group expects the advance will be settled within 12 months of the balance sheet date.

16 Share capital

	Ordinary shares of 1 pence each	**$000**
Ordinary shares issued and fully paid:		
30 June 2024 and 2023 and 31 December 2023	114,392,024	2,016

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

17 Share premium account

	$000
30 June 2024 and 2023 and 31 December 2023	33

18 Distributions

	Six months ended 30 June 2024 (unaudited) $000	Six months ended 30 June 2023 (unaudited) $000	Year ended 31 December 2023 (audited) $000
Cash dividends on ordinary shares declared and paid			
Final dividend for 2022: 4.0 US cents per share	**-**	-	4,603

The final dividend for 2022 was declared in United States dollars but paid in Sterling in the amount of 3.1421 pence per ordinary share on 27 July 2023.

19 Contingencies and commitments

The Group undertakes its mining operations in the Republic of Azerbaijan pursuant to the provisions of the Agreement on the Exploration, Development and Production Sharing for the Prospective Gold Mining Areas: Gedabek, Gosha, Ordubad Group (Piazbashi, Agyurt, Shakardara, Kiliyaki), Soutely, Kyzilbulag and Vejnali Deposits dated year ended 20 August 1997 (the "PSA"). The original agreement was dated 20 August 1997 and granted the Group mining rights over the following contract areas containing mineral deposits: Gedabek, Gosha, Ordubad Group (Piyazbashi, Agyurt, Shakardara, Kiliyaki), Soutely, Kyzilbulag and Vejnali. On 5 July 2022, amendments to the PSA were ratified by the Parliament of the Republic of Azerbaijan which granted the Group three new contract areas with a combined area of 882 square kilometres and relinquished the Soutely contract area. The parliamentary ratification was signed into law on 5 July 2022 by the President of the Republic of Azerbaijan. In June 2024, the local party, the Ministry of Ecology and Natural Resources, to the PSA was replaced by AzerGold Closed Joint Stock Company. Minor amendments were also made in respect of the use of facilities for the Kyzlbulag, Demirli and Vejnaly contract areas.

The PSA contains various provisions relating to the obligations of the R.V. Investment Group Services LLC ("RVIG"), a wholly owned subsidiary of the Company. The principal provisions are regarding the exploration and development programme, preparation and timely submission of reports to the Government, compliance with environmental and ecological requirements. The Directors believe that RVIG is in compliance with the requirements of the PSA. The Group has announced a discovery on Gosha Mining Property in February 2011 and submitted the development programme to the Government according to the PSA requirements, which was approved in 2012. In April 2012 the Group announced a discovery on the Ordubad Group of Mining Properties and submitted the development programme to the Government for review and approval according to the PSA requirements. The Group and the Government are still discussing the formal approval of the development programme.

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

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

20 Related party transactions

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

Trading transactions

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

Other related party transactions

(a) Total payments in the 6 months to 30 June 2024 of $69,000 (6 months to 30 June 2023: $2,755,000) were made for equipment and spare parts purchased from Proses Muhendislik Danismanlik Inshaat ve Tasarim

Anonim Shirket ("PMDI"), an entity in which the vice president of technical services of Azerbaijan International Mining Company has a direct ownership interest. There is an outstanding payable to PMDI of $126,000 at 30 June 2024 (30 June 2023: $458,000 and 31 December 2023: $33,000).

(b) On 30 June 2022, a loan of $500,000 was made to the vice president of technical services of Azerbaijan International Mining Company. The loan carries an interest rate of 4 per cent. and was repayable on 30 June 2023 with earlier repayment permissible. The loan is secured on the Anglo Asian Mining plc shares owned by the vice president of technical services of Azerbaijan International Mining Company. The loan was guaranteed by the president and chief executive officer of Anglo Asian Mining plc. In June 2023, the loan was renewed on the same terms as previously except the term of the loan was extended for 3 years from the date of the original advance and the interest rate was increased to 6 per cent.

(c) 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.

All of the above transactions were made on arm's length terms.

21 Post balance sheet events

Authorisation to raise wall of the Group's tailing dam and restart of operations at Gedabek

On 5 August 2024, Azerbaijan International Mining Company (a wholly-owned subsidiary of the Group) received authorisation from the Government of Azerbaijan to raise the wall of its existing tailings dam. Confirmation was also received that the construction work will comply with all health and safety requirements. Work on raising the wall of the tailings dam has commenced. The Group's expects to fully restart its operations at Gedabek by November 2024.

Drawdown of loan from Caterpillar Financial Services Corporation

On 26 August 2024 the Group received the proceeds of $3.7 million from its vendor financing loan with Caterpillar Financial Services Corporation.

22 Approval of condensed group interim financial statements

The condensed group interim financial statements of Anglo Asian Mining plc and its subsidiaries for the six-month period ended 30 June 2024 were authorised for issue in accordance with a resolution of the directors on 25 September 2024.

****ENDS****

Notes:

Anglo Asian Mining plc (AIM:AAZ) is a gold, copper and silver producer with a high-quality portfolio of production and exploration assets in Azerbaijan. The Company produced 31,821 gold equivalent ounces ("GEOs") for the year ended 31 December 2023.

On 30 March 2023, the Company published its strategic plan for growth which shows a clearly defined path for the Company to transition to a multi-asset, mid-tier, copper and gold producer by 2028, by which time copper will be the principal product of the Company, with forecast production of around 36,000 copper equivalent tonnes. It plans to achieve this growth by bringing into production four new mines during the period 2024 to 2028 at Zafar, Gilar, Xarxar and Garadag.

https://www.angloasianmining.com/