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ANGLO ASIAN MINING FLOATS ON AIM

Placing raises £20 million

Anglo Asian Mining PLC (“Anglo Asian” or “the Company”), a gold and copper development company with assets in Azerbaijan, today announces its admission to AIM (EPIC: AAZ) (“Admission”) following the successful placing of 26m shares at 77p to raise £20m. Anglo-Suisse Capital Limited is the financial adviser and Numis Securities Limited is acting as broker and nominated adviser to the Company.

The placing was more than twice over subscribed at the placing price.

Placing statistics:

Placing Price	77p
Number of Placing Shares	26,000,000
Number of existing Ordinary Shares	73,171,800
Percentage of the enlarged share capital subject to the Placing	26.22%
Market capitalisation following Admission at the Placing Price	£76,362,286
Estimated gross proceeds of the Placing	£20,020,000
Estimated net proceeds of the Placing	£17,520,000

Anglo Asian has a joint venture with the Government of Azerbaijan under a 30 year Production Sharing Agreement (“PSA”) managed by the Company to develop previously identified copper and gold properties in Azerbaijan that lie on the Tethyan Mineralization Belt which runs between Turkey and Pakistan.

Anglo Asian has at least 22 identified properties, of which eight have been evaluated to date and which contain extensive adits (tunnelling) and drilling, dating mostly from the Soviet era. Behre Dolbear International Limited, the minerals industry consultant, describes the Azerbaijan properties as “a potential source of copper and gold of world class importance”. Behre Dolbear considers that the eight properties contain an inferred resource of some 2.4 million tonnes of contained copper and 7.6 million ounces of gold. Behre Dolbear also project potential for an additional 10 million tonnes of contained copper and 45 million ounces of gold which was calculated from existing Soviet era data.

Anglo Asian has the potential to have one of the lowest forecast production costs for a major mining group. Seven of the eight already measured properties are planned to be open pit and have higher than average ore grades; there is relatively cheap fuel (and explosive) available in oil-rich Azerbaijan; and there is a low-cost labour force that includes engineers, geologists and environmentalists. Estimates show cash production costs at under \$90 per ounce for gold and at less than 30¢ per pound for copper.

The net proceeds of the Placing will be used primarily:

- to re-classify Soviet era resources – using infill drilling and re-sampling of adits to prove scale of further potential to Western standards;
- to start production – fast track one deposit to production at 250,000 oz gold p.a., choosing from two mature possibilities;
- to develop properties – conducting full bankable feasibility studies on two further major properties.
- Anglo Asian has three principal contract areas in Azerbaijan, which have a total accessible area of 1,062 km²: Ordubad, Gedabek and Gosha.

The **Ordubad** area, some 462 km², contains six projects: Shakardara, Piyazbashi, Misdag, Agyurt, Shalala and Diakhchay which are likely to be developed by cluster mining as they are all within a 5 km radius. Additionally, the Ordubad area contains other significant properties with Soviet era defined resources at Yashiling, Goyhundur, Keleki and Kotam.

The **Gedabek** contract area, some 300 km², is approximately 55 km from Azerbaijan's second biggest city, Ganja. This area contains the Gedabek development property and a further eight properties, again with Soviet era defined resources.

The 300 km² **Gosha** contract area is approximately 25 km further to the west of Gedabek and contains the Gosha property as well as the Itkirlanski and Mundjgdu prospects.

Anglo Asian benefits from a management team with extensive experience. The Chairman, Mr Reza Vaziri, is Co-Chairman of the U.S.-Azerbaijan Chamber of Commerce. The Chief Executive, Charles Hancock, has over 20 years' investment banking experience in corporate finance and M&A work. Deputy Chairman Robert Jeffcock, who played a key role in negotiating the merger of the RVI Group (original owner of the PSA) with Anglo Asian Mining, founded and remains a Director of AIM-listed Vane Minerals. Richard Round, who will join the Company in September as Finance Director, has spent the bulk of his career in mining and is currently finance director of Mining (Scotland) Group, the UK's largest opencast coal mining company.

Two non-executive members of the board are Governor John H. Sununu, who was appointed Chief of Staff to President George H. Bush in 1989, and The Rt. Hon. Tim Eggar who served as the UK's Minister for Industry and Energy from 1992 to 1996. Both Governor Sununu and Mr Eggar have extensive business experience and contacts in Azerbaijan.

Reza Vaziri, Chairman of Anglo Asian Mining, commented:

“The development of these Azerbaijan copper and gold deposits will bring a significant economic boost to the country, especially the Nakhchivan enclave. A listing on AIM is an integral part of our strategy to grow into a major mining company. Early stage production will provide cash flow to enable us to bring other properties to bankable feasibility study – and production status - in the shortest possible timescale.”

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