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AIM:AAZ

**ANGLO ASIAN MINING PLC
(‘Anglo Asian’ or ‘the Company’)**

**PRELIMINARY RESULTS FOR THE ELEVEN MONTH PERIOD ENDED
31 DECEMBER 2005**

Highlights for the period

- Admission to AIM on 29 July 2005
- Raised net proceeds of US\$30.7 m (£17.4 m)
- Access constructed to the Ordubad, Gosha and Gedabek contract areas
- Drilling commenced at Piyazbashi (Ordubad) on 10 September 2005
- Contract completed for purchase of CIL gold processing plant and dismantling contract awarded
- Richard Round appointed as Finance Director on 19 September 2005
- Ross Bhappu appointed as non-executive director on 1 November 2005

Subsequent events

- Drilling now focussed at Gedabek which commenced in January 2006
- Contract for dismantling of CIL gold processing plant completed
- Graham Mascall appointed as non-executive Chairman on 13 March 2006
- Terms have been agreed with a new Chief Executive and details will be announced shortly

Graham Mascall, Chairman of Anglo Asian, commented: ‘The Admission to AIM of Anglo Asian was successfully completed on 29 July 2005, raising US\$30.7 million net of expenses. The operating loss for the 11 month period to 31 December 2005 of \$2.7 million arose from charging administrative expenses and crediting an exchange gain. In addition \$1.6 million of exploration expenses were capitalised’

Mr Mascall continued ‘In the period since Admission and injection of the new capital sound progress has been made on the establishment of infrastructure to allow a comprehensive exploration programme to be undertaken in all contract areas. In line with the recommendation of our consultant, SRK Consulting, we now consider Gedabek to be a more attractive proposition for the first feasibility study and priority and focus has therefore shifted from Piyazbashi to this property. We remain well funded, with a significant asset in the containerised CIL plant in Australia and an experienced Board and management team in place.’

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PRELIMINARY RESULTS FOR THE ELEVEN MONTH PERIOD ENDED 31 DECEMBER 2005

Chairman's statement

It is with pleasure that I make my first Chairman's statement just a month following my appointment at Anglo Asian.

This reporting period has been a significant one for the group in which on 29 July 2005 saw Anglo Asian admitted to AIM and successfully raise US\$30.7 m net of expenses via an institutional placing. This followed the previous period's acquisition of Anglo Asian Cayman Limited, the holding company of RV Investment Group Services LLC, which, through a Production Sharing Agreement with the Azerbaijan Government, retains the right to explore and to extract all minerals in its contract areas in Azerbaijan.

General

Following the injection of new capital, the group made sound operational progress in Azerbaijan, establishing the required infrastructure to carry out an extensive drilling and sampling campaign across its contract areas. Anglo Asian concluded a contract to acquire a 4,000 tonne a day Carbon-in-Leach ('CIL') gold processing plant in Australia. Stage payments were made in the period and a contract was also awarded to dismantle and containerise the plant. Since the period end, the plant has been successfully dismantled and containerised and is currently in storage in close proximity to the Mackay port in Australia.

SRK Consulting has been retained to assist with the implementation of Anglo Asian's exploration programme and to provide technical, audit and advisory services for its projects. SRK's considerable mining expertise and resources will be used where relevant to progress projects towards the feasibility stage.

I summarise below the exploration work carried out to date.

Piyazbashi

The exploration and sampling programme involved the use of three diamond and one reverse circulation drilling rigs. The drilling campaign has been supplemented by sampling of adits previously driven in the Soviet era, trenches and road cuts. The Company's entire drilling activity in the period was carried out at the Piyazbashi site within the Ordubad contract area, from which the results from the initial drilling carried out in a step out area proved to be disappointing, as announced on 27 October 2005. The subsequent drilling in the actual Piyazbashi property progressed in the period, and along with adit sampling, provided confirmation of gold grade in the veins broadly in line with the Soviet data. The drilling programme at Piyazbashi was completed in March 2006. Whilst the classification of the resource is expected to improve, the Company's consultants, SRK Consulting, have advised that the greater attraction of the Gedabek property means that Piyazbashi will not be a first priority for a feasibility study and progression towards early production as was envisaged in the Admission Document.

Other Ordubad

A camp was constructed at Keleki during the autumn of 2005 in support of the entire Ordubad exploration campaign, which provides an area for core storage, plant maintenance and accommodation and welfare facilities for personnel. A local office has also been established in Nakhchivan.

During the period access roads were driven from the camp to the drill sites and adits at Shakardara and adit cleaning was undertaken. Shortly after the period end results were received from the sampling of adit 12, which were announced on 17 January 2006. The average of the preliminary channel sampling was 0.09g/t of gold, as opposed to the Soviet classified grade in that adit of an average of 1.1 g/t gold over 380 metres. The inferred copper resource of Shakardara stated in the Admission Document is not based on adit 12 but mainly from results from other parts of the deposit, including adit 10. Following the completion of the drilling at Piyazbashi a diamond drill rig has been moved to Shakardara in order to obtain a clearer understanding of the resources and to help overcome the blocked access to adit 10.

Limited initial reconnaissance sampling has been undertaken at Misdag, which showed slightly higher copper grades than incorporated in the Soviet data. Further extensive sampling is planned in late spring and the summer. Depending on progress at Shakardara it is intended to carry out drilling on Misdag using the diamond drill rig.

Gedabek and Gosha

In the reporting period, adit cleaning and the establishment of infrastructure was undertaken. Some limited adit sampling was carried out at Gosha, which confirmed the presence of the two large vein-like structures in line with the Soviet data.

There was mining at Gedabek between 1849 and 1917 and since 1960 the Soviets and Azeris carried out exploration activity including mapping, sampling, trenching, drilling and underground exploration. Anglo Asian is utilising a combination of this information along with the use of two of the diamond and the reverse circulation drill rigs, which were transferred to Gedabek in January 2006, to carry out a full drilling programme in order to further define the resource. The Board now consider Gedabek a priority and the focus for the first feasibility study.

Financial results

The Group reported an audited operating loss of \$2,659,839 (\$1,348,814) for the eleven months to 31 December 2005 (period from 5 February 2004 to 31 January 2005). The operating loss resulted from the charging of administrative expenses of \$2,867,951 (\$1,348,814) and crediting an exchange gain of \$208,112 (\$ nil).

The net interest credit in the period of \$605,075 (\$3,328) arose primarily from interest received on deposits.

Exploration and evaluation expenditures of \$1,626,651 (\$ nil) were capitalised in the period and advance payments of \$4,350,000 were made to acquire the CIL plant in Australia.

The deferred consideration for the acquisition of Anglo Asian Cayman Limited amounting to \$2,000,000 was settled in the period following the IPO.

The Group remains well funded and at the period end retained cash balances of \$21,345,703 (\$972,306).

Board

In 2005 and following the IPO, the Company continued its strategy of recruiting further individuals to the Board with experience in the mining sector. Richard Round joined as Finance Director in September and Ross Bhappu in November as a non executive director. I joined as Chairman in March 2006, at which point Reza Vaziri took up the position of President on the Board. In this capacity, he will continue to have responsibility for governmental and public relations in Azerbaijan. The Board will be further strengthened with the agreed arrival of a new Chief Executive. He offers a depth of operating experience in various locations throughout the world.

I would like to take this opportunity to thank Charles Hancock for his commitment to Anglo Asian following the Admission to AIM. Charles will become a non-executive director on the arrival of the new Chief Executive.

Strategy

The Group remains sufficiently well funded to be able to continue with exploration programmes on a number of its projects and if appropriate through to the full feasibility stage. The CIL plant will be moved to Azerbaijan from its current location in Australia as soon as the Company obtains sufficient comfort regarding the economic evaluation of its projects, the current focus being on the Gedabek property. Meanwhile, the Directors have been advised that the current value of the plant exceeds the amount paid and that Anglo Asian is in possession of an asset with significant value.

I very much look forward to keeping the shareholders informed of progress during the current year.

Graham Mascal

Chairman

11 April 2006

Anglo Asian Mining PLC

Consolidated profit and loss account

		Period from 1 Feb 2005 to 31 Dec 2005	Period from 5 Feb 2004 to 31 Jan 2005
	Note	US\$	US\$
TURNOVER		-	-
Administration expenses		(2,867,951)	(1,348,814)
Exchange gain		208,112	-
OPERATING LOSS		(2,659,839)	(1,348,814)
Interest receivable and similar income		613,400	3,328
Interest payable and similar charges		(8,325)	-
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	3	(2,054,764)	(1,345,486)
Tax on loss on ordinary activities		-	-
LOSS FOR THE PERIOD		(2,054,764)	(1,345,486)
Statutory basic and diluted loss per ordinary share (cents)	3	(3.18)	(2.73)
Proforma basic and diluted loss per ordinary share (cents)	3	(2.07)	(1.36)

There is no difference between the loss on ordinary activities before taxation and the loss for the financial period stated above and their historical cost equivalents.

Consolidated statement of total recognised gains and losses

Loss for the period	(2,054,764)	(1,345,486)
Exchange difference	(69,184)	-
TOTAL RECOGNISED GAINS AND LOSSES	(2,123,948)	(1,345,486)

Anglo Asian Mining PLC

Consolidated balance sheet

		As at 31 Dec 2005	As at 31 Jan 2005
		US\$	US\$
	Note		
FIXED ASSETS			
Intangible assets	4	48,551,913	31,067,688
Tangible assets		453,184	5,091
TOTAL FIXED ASSETS			
		49,005,097	31,072,779
CURRENT ASSETS			
Debtors - amounts falling due within one year		5,246,275	1,139
Cash at bank		21,345,703	972,306
TOTAL CURRENT ASSETS			
		26,591,978	973,445
CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR			
		(798,213)	(2,381,428)
NET CURRENT ASSETS/(LIABILITIES)			
		25,793,765	(1,407,983)
NET ASSETS			
		74,798,862	29,664,796
CAPITAL AND RESERVES			
Called up share capital	5	1,782,605	2
Share premium account	6	30,279,301	-
Merger reserve	6	46,206,390	31,010,280
Profit and loss account	6	(3,469,434)	(1,345,486)
CAPITAL EMPLOYED			
		74,798,862	29,664,796

Anglo Asian Mining PLC

Consolidated cash flow statement

		Period from 1 Feb 2005 to 31 Dec 2005	Period from 5 Feb 2004 to 31 Jan 2005
		US\$	US\$
	Note		
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	7	(7,461,090)	(1,042,622)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		613,400	3,328
Interest paid		(8,325)	-
NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		605,075	3,328
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENTS			
Purchase of tangible fixed assets		(486,097)	-
Exploration and evaluation expenditure		(1,626,651)	-
Purchase of subsidiary undertaking		(2,000,000)	(109,040)
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE AND FINANCIAL INVESTMENTS		(4,112,748)	(109,040)
NET CASH OUTFLOW BEFORE USE OF LIQUID RESOURCES AND FINANCING		(10,968,763)	(1,148,334)
FINANCING			
Issue of ordinary shares, net of expenses		30,736,901	2
Shares issued for cash in subsidiary		663,539	2,062,358
(Repayment)/issue of loans		(58,280)	58,280
INCREASE IN CASH FOR THE PERIOD		20,373,397	972,306
RECONCILIATION OF CASH BALANCES			
Cash at start of period		972,306	-
Increase in cash for the period		20,373,397	972,306
CASH AT END OF THE PERIOD		21,345,703	972,306

Anglo Asian Mining PLC

Notes to the financial statements

1.

Basis of preparation

Anglo Asian Mining PLC ("Anglo Asian" or the "Company") was incorporated on 9 September 2004 and its Ordinary Shares were listed on the AIM market of the London Stock Exchange on 29 July 2005 (the "Listing") having become the new parent company of Anglo Asian Operations Limited Group on 24 June 2005. Anglo Asian Operations Limited was incorporated on 5 February 2004.

To provide information which is meaningful to the Company's shareholders, the Directors believe that it is necessary to prepare the results on the basis that the Anglo Asian Group had existed from the date of incorporation of Anglo Asian Operations Limited. The Directors believe that this information reflects the ongoing operations of the Group more clearly. The combination of Anglo Asian with the Anglo Asian Operations Group has been accounted for as a group reconstruction under the provisions of FRS 6 ("Mergers and Acquisitions") and is presented as if the Company had been the holding company and intermediate holding company, respectively, of the Group for each period presented.

The financial information set out above does not constitute the Group's statutory accounts for the period ended 31 December 2005 but is derived from the Group's statutory accounts, for that period. The auditors' report on the statutory accounts for the period ending 31 December 2005 was unqualified and did not contain statements under section 237(2) of the Companies Act 1985 (regarding adequacy of accounting records and returns) or under section 237(3) (regarding provision of necessary information and explanations).

The consolidated financial information for the Group has been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

2.

Accounting policies and basis of consolidation

The accounting policies are consistent with those disclosed in the Accountant's Report for Anglo Asian Operations Limited as presented in the AIM Admission Document dated 26 July 2005.

The consolidated financial information incorporates the financial statements of the Company and all of its subsidiaries, being the companies that it controls. This control is normally evidenced when the Group is able to govern a company's financial and operating policies so as to benefit from its activities or where the Group owns, either directly or indirectly, the majority of a company's equity voting rights.

The results of subsidiaries acquired or sold during the period are consolidated for the periods from, or to, the date on which control passed. Acquisitions are accounted for under the acquisition method.

Excess purchase consideration, being the difference between the fair value of the consideration given and the fair value of the identifiable assets and liabilities acquired, is capitalised as an asset on the balance sheet.

To the extent that such excess purchase consideration relates to the acquisition of mining properties and leases, that amount is initially capitalised as mining rights within intangible fixed assets. Provision is made for any impairment.

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3.

Earnings per ordinary share

Basic earnings per share on the loss for the period

	Period from 1 Feb 2005 to 31 Dec 2005	Period from 5 Feb 2004 to 31 Jan 2005
Loss for the financial period (US\$)	(2,054,764)	(1,345,486)
Weighted average number of shares of the Company in issue	64,674,982	49,359,914
Statutory loss per share for the period (US cents)	(3.18)	(2.73)
Number of shares of the Company in issue	99,171,800	99,171,800
Proforma loss per share for the period (US cents)	(2.07)	(1.36)

The statutory loss per share has been based on the weighted average number of shares in issue.

The proforma loss per share ("EPS") calculation has assumed that the number of Ordinary Shares in issue immediately after Listing (being 99,171,800) had been in issue from 5 February 2004. The Directors believe that this proforma EPS provides a more meaningful comparison of the Group's ongoing business than using the statutory EPS which would only reflect shares issued at the date of Listing. Basic and dilutive EPS are the same because the only outstanding share options are anti-dilutive as the Group has made a loss.

4.

Intangible fixed assets

	Mining rights	Exploration and evaluation expenditure	Total
	US\$	US\$	US\$
Cost			
As at 1 February 2005	31,067,688	-	31,067,688
29 June 2005 - 3,238,600 shares issued to Limelight Industrial Developments Limited	4,538,574	-	4,538,574
19 July 2005 - 8,400,000 shares issued to the vendors of RV Investment Group	11,319,000	-	11,319,000
Piyazbashi	-	1,098,474	1,098,474
Shakardara	-	41,658	41,658
Misdag/Agyurt	-	41,658	41,658
Gedabek	-	270,255	270,255
Gosha	-	174,606	174,606
As at 31 December 2005	46,925,262	1,626,651	48,551,913

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5.

Share capital

Company	As at 31 Dec 2005		As at 31 Jan 2005	
	Number	£	Number	£
Authorised				
Ordinary shares of £0.01 each	600,000,000	6,000,000	-	-
Ordinary shares of £1 each	-	-	100	100
		US\$		US\$
Allotted and fully paid				
At the beginning of the period	1	2	1	2
Subscriber share subdivided into share of £0.01p	99	-	-	-
Shares issued in consideration for share in Anglo Asian Operations Limited	73,171,700	1,325,003	-	-
Shares placed for cash	26,000,000	457,600	-	-
At the end of the period	99,171,800	1,782,605	1	2

6.

Reserves

	Merger reserve	Share premium account	Profit and loss account
	US\$	US\$	US\$
Group			
1 February 2005	31,010,280	-	(1,345,486)
Loss for the period	-	-	(2,054,764)
Premium on share issue	-	34,777,600	-
Share issue expenses	-	(4,498,299)	-
Exchange differences	-	-	(69,184)
Fair value adjustments	15,196,110	-	-
31 December 2005	46,206,390	30,279,301	(3,469,434)

Anglo Asian Mining PLC

7.

Reconciliation of operating loss to net cash flow from operating activities

	Period from 1 Feb 2005 to 31 Dec 2005	Period from 5 Feb 2004 to 31 Jan 2005
	US\$	US\$
Operating loss	(2,659,839)	(1,348,814)
Depreciation	38,004	-
Goodwill amortisation	-	28,200
Increase in debtors and prepayments	(5,245,136)	-
Increase in creditors and accruals	475,065	277,992
Exchange differences	(69,184)	-
Net cash outflow from operating activities	(7,461,090)	(1,042,622)