



For release at 7.00 a.m. on 27 October 2005

AIM: AAZ

ANGLO ASIAN MINING PLC
(“Anglo Asian” or “the Company”)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 JULY 2005

Highlights for the period

- Admission to AIM on 29 July 2005
- Raised gross proceeds of £20 million (US\$35.2 million)

Subsequent events

- Access constructed to the Ordubad, Gosha and Gedebek contract areas
- Drilling commenced at Piyazbashi (Ordubad) 10 September 2005
- Reconnaissance sampling underway at Gosha and Gedebek
- Base camp for Ordubad under construction
- 4,000 tonne per day CIL gold processing plant purchased
- Richard Round appointed to the Board as Finance Director on 19 September 2005
- Dr. Ross Bhappu appointed to the Board as non-executive director from 1 November 2005
- Gerald Phillips appointment as Chief Operating Officer confirmed

Commenting on the results, Reza Vaziri, Executive Chairman of Anglo Asian Mining, said: ‘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 6 month period to 31 July 2005 of \$662,745 arose from charging administrative expenses and crediting an exchange gain primarily incurred in the period leading up to the Admission.’

Mr Vaziri continued ‘In the short period since Admission and injection of the new capital, significant operational progress has been made. Whilst the result of our first deep drill hole was disappointing, the resources quoted at flotation are unaffected by this result and with the addition of two more rigs the drilling programme will continue at pace. In addition, progress has been made on procuring and relocating a 4,000 tonne per day CIL plant along with a further strengthening of the Board and management team.’

-Ends-

Financial and operations review to follow.

For further details, please contact:

Anglo Asian Mining PLC	Charles Hancock, Chief Executive	+44 20 7409 3232
Numis Securities Limited	John Harrison	+44 20 7776 1590
Parkgreen Communications	Justine Howarth	+44 20 7493 3713



INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 JULY 2005

Chairman's statement

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 6 month period to 31 July 2005 of \$662,745 arose from charging administrative expenses and crediting an exchange gain primarily incurred in the period leading up to the Admission.

In the short period since Admission and injection of the new capital, significant operational progress has been made. Whilst the result of our first deep drill hole was disappointing, the resources quoted at flotation are unaffected by this result and with the addition of two more rigs the drilling programme will continue at pace. In addition progress has been made on procuring and relocating a 4,000 tonne per day CIL plant along with a further strengthening of the Board and management team.

Financial results

The Group reported an unaudited operating loss of \$662,745 (\$357,977) for the six months to 31 July 2005 (period from 5 February 2004 to 31 July 2004). The operating loss resulted from the charging of administrative expenses of \$756,575 (\$357,977) and crediting an exchange gain of \$93,830 (\$ nil).

There was an interest charge in the six months of \$4,718 (\$ nil) arising on loans taken out prior to Admission.

Exploration and evaluation expenditures of \$1,199,199 (\$ nil) were capitalised in the period.

On 24 June 2005, Anglo Asian Mining PLC became the ultimate parent company of Anglo Asian Operations Limited in a share for share exchange. This agreement and subsequent agreements dated 29 June 2005 and 19 July 2005 resulted in 73,171,700 shares being issued. This acquisition has been accounted for as a group reconstruction which allows a meaningful comparison to the previous periods.

The gross proceeds raised from the issue of 26,000,000 new shares, amounting to \$35,235,200, were received in the first week of August 2005 and therefore appear in the balance sheet at 31 July 2005 as a debtor and the share issue expenses of \$4,498,300, that have since all been paid, appear as a creditor.

Azerbaijan operations

Baku and Nakhchivan offices

Fully functional offices have been set up in both Baku and Nakhchivan. Expatriate management reporting to the Chief Operating Officer has been retained by the Group to manage the geological, construction, environmental and health and safety functions. Local staff has been recruited in Baku,

Nakhchivan, Ordubad, Gosha and Gedebeq to support activities including geology, plant relocation construction and administration. The Group is very pleased with their skill level and commitment of the existing staff and is confident in obtaining appropriate additional staff within the locality of the operations as the Company continues to advance its projects.

Ordubad (Piyazbashi)

Access to the Piyazbashi mining area has been completed and a base camp is under construction for the entire Ordubad contract area.

Step out drilling has started in the Piyazbashi area and two holes to depth of 360 and 300 metres have been completed. The results of the first drill hole are covered under a separate press announcement released today.

Two further rigs have been scheduled by Skepra, a major Turkish drilling contractor, to commence drilling in Piyazbashi during the same month. This will result in three diamond core rigs being in operation, one of which will be dual purpose and can be set up for rotary drilling.

The drilling contract is being performed by Skepra at rates below those anticipated in the AIM Admission Document. We have retained the services of ALS Chemex (part of the Alex Stewart Group) to conduct analytical work on current sampling from the drilling programme. ALS Chemex operate laboratories which specialise in analysing mineral samples including soil and sediment samples, mineralised rock and drill cuttings in addition to core samples. ALS Chemex operates in sixteen countries worldwide and provides services to major mining and mineral exploration companies.

As previously announced, the Company has purchased a 4,000 tonne per day gold processing plant. This plant is currently located in Australia and a dismantling contract is currently being negotiated. The plant will be refurbished in Australia prior to being shipped to Ordubad via Turkey. The plant is expected to arrive at the Piyazbashi mining area in Ordubad during the first half of 2006. The fast track feasibility study for this mining area will be completed before the location of the plant site is finalised.

The plant purchased is Carbon-in-Leach (CIL), which is considered to be more suitable than the Carbon-in-Pulp (CIP) plant previously referred to in the Admission Document and the purchase incorporates a crushing and grinding plant and a Carbon Adsorption-Desorption-Recovery (ADR) plant which will produce doré bullion on site. It is also fully inclusive of a laboratory facility.

Gosha and Gedebeq

Access routes to the Contract Areas have been completed and adit cleaning is ongoing. Confirmatory and reconnaissance sampling has been initiated to determine the boundaries of the area. We have also retained the services of ALS Chemex to complete analytical work on samples from these development projects.

Board

We are pleased to announce that Dr. Ross Bhappu has agreed to join the Board of Directors as a non-executive director with effect from 1 November 2005.

Dr. Bhappu, a Principal with Resource Capital Funds, which currently hold 2.2 million shares in Anglo Asian Mining PLC, has over 20 years' experience in the mining industry working for both senior and junior mining companies. Prior to joining Resource Capital Funds in early 2001, he was chief executive officer of a start-up copper mining company, GTN Copper Corporation. Prior to joining GTN, Dr. Bhappu was Director of Business Development for Newmont Mining Corporation. In that role, he was involved in merger and acquisition activities, the marketing of copper concentrates to smelters all over the world, business development activities and the commercialization of Newmont's proprietary metallurgical technologies. Before joining Newmont, he served in both technical and financial roles for Cyprus Minerals Company. He serves on the board of Resource Capital Funds' portfolio company Constellation Copper Corporation. Dr. Bhappu holds a Ph.D. in Mineral Economics from the Colorado School of Mines and B.S. and M.S. degrees in Metallurgical Engineering from the University of Arizona.

Save as disclosed below, there is nothing further to disclose in relation to the appointment of Dr. Ross Bhappu, aged 45, under schedule two, paragraph (g) of the AIM Rules:

Previous directorships or partnerships in the last five years:

Dr Bhappu currently serves on the boards of Constellation Copper Corporation, an RCF portfolio company listed on the Toronto Stock Exchange and Mountain States R&D International, a private metallurgical consulting firm. He was previously a director and officer of GTN Copper Corporation.

Management

We are pleased to confirm the appointment of Mr Gerald Phillips as Chief Operating Officer of the Group.

Mr. Phillips has over 35 years of experience constructing and directing open pit and underground mining operations. He has held the position of Chief Operating Officer at Sanyati Mining and Roan Antelope Mining Corporation. He has also held directorships of Roan Antelope Mining Corporation of Zambia, Frame Minera de Honduras, Greenstone Canada Limited, Curragh Resources Incorporated of Canada and has been involved at an operational level with numerous other mining companies.

Mr Phillips has supervised multi-disciplinary teams from concept of projects through feasibility studies, financing, permitting and construction to commercial production. Projects include open pit and underground mines in North America and two new heap-leach-CIL operations in Central America. He has extensive experience in ADR, CIL, CIP, solvent extraction and electrowinning processing operations.

The Board, as outlined in the AIM Admission Document, is continuing a search for a new Chief Executive with extensive experience in the resources sector to replace Charles Hancock, who will remain on the Board in a non executive capacity after he steps down as Chief Executive.

Ends

Anglo Asian Mining PLC

Consolidated profit and loss account for the 6 months ended 31 July 2005

	<i>Note</i>	<i>Unaudited 6 months to 31.7.2005 US\$</i>	<i>Unaudited period from 5.2.2004 to 31.7.2004 US\$</i>	<i>Unaudited period from 5.2.2004 to 31.1.2005 US\$</i>
Turnover		-	-	-
Administration expenses		(756,575)	(357,977)	(1,348,814)
Exchange gain		93,830	-	-
Operating loss		(662,745)	(357,977)	(1,348,814)
Interest receivable and similar income		986	216	3,328
Interest payable and similar charges		(4,718)	-	-
Loss on ordinary activities before taxation		(666,477)	(357,761)	(1,345,486)
Tax on loss on ordinary activities		-	-	-
Loss for the period		(666,477)	(357,761)	(1,345,486)
Basic and diluted loss per ordinary share (US cents)	3	0.67	0.36	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.

There are no recognised gains or losses other than those stated above.

Anglo Asian Mining PLC

Consolidated balance sheet at 31 July 2005

	<i>Note</i>	<i>Unaudited 31.7.2005 US\$</i>	<i>Unaudited 31.7.2004 US\$</i>	<i>Unaudited 31.1.2005 US\$</i>
Fixed assets				
Intangible assets	4	48,124,462	-	31,067,688
Tangible assets		53,977	-	5,091
Total fixed assets		48,178,439	-	31,072,779
Current assets				
Debtors - amounts falling due within one year	5	35,523,679	-	1,139
Cash at bank		81,966	8,666	972,306
		35,605,645	8,666	973,445
Creditors –amounts falling due within one year	6	(7,616,338)	(115,067)	(2,381,428)
Net current assets/(liabilities)		27,989,307	(106,401)	(1,407,983)
Net assets/(liabilities)		76,167,746	(106,401)	29,664,796
Capital and reserves				
Called up share capital	7	1,782,605	1	2
Share premium account	8	30,279,300	-	-
Merger reserve		46,206,391	251,359	31,010,280
Profit and loss account		(2,100,550)	(357,761)	(1,345,486)
Capital employed		76,167,746	(106,401)	29,664,796

Anglo Asian Mining PLC

Consolidated cash flow statement for the 6 months ended 31 July 2005

	<i>Unaudited 6 months to 31.7.2005</i>	<i>Unaudited period from 5.2.2004 to 31.7.2004</i>	<i>Unaudited period from 5.2.2004 to 31.1.2005</i>
<i>Note</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>
Net cash outflow from operating activities	9 (303,293)	(214,710)	(1,042,622)
Returns on investment and Servicing of finance			
Interest received	986	216	3,328
Net cash inflow from returns on investments and servicing of finance	986	216	3,328
Capital expenditure and financial investment			
Purchase of tangible fixed assets	(52,373)	-	-
Exploration and evaluation expenditure	(1,199,199)	-	-
Purchase of subsidiary	-	(28,200)	(109,040)
Net cash outflow from capital expenditure and financial investment	(1,251,572)	(28,200)	(109,040)
Net cash outflow before use of liquid resources and financing	(1,553,879)	(242,694)	(1,148,334)
Issue of ordinary shares, net of expenses	30,736,900	-	2
Funds due from share issue, net of expenses	(30,736,900)	-	-
Shares issued for cash in subsidiary	663,539	251,360	2,062,358
Issue of loans	-	-	58,280
(Decrease)/increase in cash for the period	(890,340)	8,666	972,306
Reconciliation of cash balances			
Cash at start of period	972,306	-	-
Cash at end of the period	81,966	8,666	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 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 year 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 capitalised as mining rights within intangible fixed assets and will be amortised on a unit of production basis. Provision is made for any impairment.

Anglo Asian Mining PLC

Notes to the financial statements (continued)

3. Earnings per ordinary share

<i>Basic earnings per share on the loss for the period</i>	<i>Unaudited 6 months to 31.7.2005</i>	<i>Unaudited period from 5.2.2004 to 31.7.2004</i>	<i>Unaudited period from 5.2.2004 to 31.1.2005</i>
Loss for the financial period (US\$)	(666,477)	(357,761)	(1,345,486)
Weighted average number of shares of the Company in issue	99,171,800	99,171,800	99,171,800
Loss per share for the period (US cents)	0.67	0.36	1.36

The earnings 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 pro forma 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

	<i>Unaudited 1.2.2005 US\$</i>	<i>Unaudited Additions US\$</i>	<i>Unaudited 31 7.2005 US\$</i>
Mining rights	31,067,688	15,857,575	46,925,263
Exploration and evaluation expenditure	-	1,199,199	1,199,199
	<u>31,067,688</u>	<u>17,056,774</u>	<u>48,124,462</u>

5. Debtors amounts falling due within in one year

	<i>Unaudited 31.7.2005 US\$</i>	<i>Unaudited 31.7.2004 US\$</i>	<i>Unaudited 31.1.2005 US\$</i>
Prepayments and accrued income	96,003	-	-
VAT recoverable	177,899	-	-
Other debtors	14,577	-	1,139
Share capital receivable	35,235,200	-	-
	<u>35,523,679</u>	<u>-</u>	<u>1,139</u>

The share capital raised on the Admission to trading on AIM on 29 July 2005 was received during the first week of August 2005.

Anglo Asian Mining PLC

Notes to the financial statements (continued)

6. Creditors amounts falling due within one year

	<i>Unaudited</i> <i>31.7.2005</i> <i>US\$</i>	<i>Unaudited</i> <i>31.7.2004</i> <i>US\$</i>	<i>Unaudited</i> <i>31.1.2005</i> <i>US\$</i>
Trade creditors	758,676	115,067	261,248
Other creditors	394,879	-	43,100
Deferred purchase consideration	2,000,000	-	2,000,000
Accruals and deferred income	4,404,503	-	18,800
Loans	58,280	-	58,280
	<u>7,616,338</u>	<u>115,067</u>	<u>2,381,428</u>

Trade creditors and accruals include amounts owing for the expenses of the share issue on the 29 July 2005 amounting to \$4,498,300. These amounts were paid following receipt of the share capital.

7. Share capital

<i>Authorised</i>	<i>Number</i>	<i>31.7.2005</i> <i>£</i>	<i>Number</i>	<i>31.1.2005</i> <i>£</i>
Ordinary shares of £0.01 each	600,000,000	6,000,000	-	-
Ordinary shares of £1.00 each	-	-	100	100
<i>Allotted</i>	<i>Number</i>	<i>31.7.2005</i> <i>US\$</i>	<i>Number</i>	<i>31.1.2005</i> <i>US\$</i>
Fully paid				
At the beginning of the period	1	2	1	2
Subscriber share subdivided into shares of £0.01	99	-	-	-
Shares issued in consideration for shares in Anglo Asian Operations Limited	73,171,700	1,325,003	-	-
Cash received after 31.7.2005				
Shares placed for cash	26,000,000	457,600	-	-
At the end of the period	<u>99,171,800</u>	<u>1,782,605</u>	<u>1</u>	<u>2</u>

8. Share premium

Shares issued	US\$
Placing for cash	34,777,600
Costs	<u>(4,498,300)</u>
31.7.2005	<u>30,279,300</u>

Anglo Asian Mining PLC

Notes to the financial statements (continued)

9. Reconciliation of operating loss to net cash flow from operating activities

	<i>Unaudited 6 months to 31.7.2005</i>	<i>Unaudited 6 months to 31.7.2004</i>	<i>Unaudited period from 5.2.2004 to 31.1.2005</i>
	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>
Operating loss	(662,745)	(357,977)	(1,348,814)
Depreciation	3,487	-	-
Goodwill amortisation	-	28,200	28,200
(Increase)/decrease in debtors and prepayments	(287,340)	115,067	-
Increase in creditors and accruals	731,892	-	277,992
Exchange differences	(88,587)	-	-
Net cash outflow from operating activities	(303,293)	(214,710)	(1,042,622)